FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 037 25 February 1987

ARGENTINA

Government 'May Declare' Debt Moratorium B 1
Central Bank Declares 25-26 Feb Bank Holidays B 1
Martinez: Austral Plan Adjustments Forthcoming B 1
Communique Signed on Zairian President's Visit B 1
[BUENOS AIRES HERALD 21 Feb]
Mobutu Departs 21 Feb B 2
Guatemalan President Cerezo Begins Official Visit B 2

BOLIVIA

Finance Minister Cariaga: Debt Will Be Honored C 1
Negotiations 'Successful' [AFP] C 1
Barthelemy Confirms Arrest of Peruvian Rebels C 1

BRAZIL

Reportage on Repercussions of Debt Suspension D 1
'Joint' Argentine Action Discarded [EFE] D 1
Bank Prepares for Retaliation D 1
Calazans, Maciel Comment D 1
Sodre on Foreign Reaction D 2
Domestic Policy Not To Change D 2
Mexico, Venezuela Express Support D 3
Sarney Invites PTB To Join Government Coalition D 3

CHILE

Fernandez' U.S. Statement Given to Court Martial E 1
CPCh Leader Hales Endorses Papal Visit E 1
[LA SEGUNDA 10 Feb]

COLOMBIA

Foreign Minister Discusses Relations With Cuba [AFP] F 1
Senator Views Issue F 1
Defense Minister Discusses Traffickers, Guerrillas [EL TIEMPO 21 Feb] F 2
Journalists Support Campaign Against Trafficking [DPA] F 2
Rebels Blow Up Pipeline, Cause 'Considerable Damage' F 3
[Buenos Aires REUTER]
Group Charges FARC Violation of Truce Pacts F 3
ELN To Launch Offensive Against FARC, UP [EL TIEMPO 20 Feb] F 4
UP Stresses 'Real Independence' From FARC F 4
Pardo Leal Comments Further F 5
Cali Journalist Shot, Wounded; 2 Arrested F 5

ECUADOR

Government Announces Reduction in Debt Payments [AFP] G 1

PARAGUAY

Further on Teargassing of U.S. Envoy's Gathering H 1
PATRIA Editorial [19 Feb] H 1
Envoy To Explain Incident [EL DIARIO 20 Feb] H 2
Note Exchange Discussed [EL DIARIO 24 Feb] H 3
Opposition Parties Open Meeting in Madrid [EFE] H 4

PERU

Garcia Asks Support of United Left Militants J 1
Bomb Attack on Pro-APRA University in Lima [AFP] J 2
San Rafael City Hall Bombed, Mayor Killed J 2

URUGUAY

Iglesias Returns; Sanguinetti To Visit USSR K 1
[EL DIA 8 Feb]
Komplektov Reviews Meeting K 2
[EL PAIS 7 Feb]
Iglesias Cites Trade Importance K 3
[EL DIA 11 Feb]

VENEZUELA

Talks To Refinance Foreign Debt To Continue [AFP] L 1
Document Addressed to U.S. Congress on Tax L 1
Red Flag Guerrillas Reportedly Reappear [AFP] L 2
Briefs: 1986 Drug Seizures, Arrests L 2

MEXICO

De la Madrid Supports Sarney Debt Plan M 1
UNOMASUNO Editorial [20 Feb] M 1
Finance Secretary on Debt Plan M 2
Further on Petricioli Remarks M 2
Agriculture Secretary on Moratorium M 3
Mexico Denies Human Rights Violation Cases M 3
Commerce Secretary Supports Trade With Cuba M 4
[EL DIA 20 Feb]
PRC Communist Party Delegation Arrives For Visit M 5
New PAN Leader Vows Forceful Action [DPA] M 5

CENTRAL AMERICA

COSTA RICA

Arias Discusses U.S. Position on Peace Process P 1

EL SALVADOR

Duarte States Conditions for Talks With FMLN P 1
Defense Minister Comments on Tax Ruling P 3
Further Commentary on Ruling P 4

GUATEMALA

Chief of Staff of National Defense Resigns P 5

NICARAGUA

Ortega Gives State of Nation Address 21 Feb P 6
Borge Views Results of Lima COPPPAL Meeting P 19
EPS Greets Soviet Army, Navy on Anniversary P 20
[BARRICADA 23 Feb]
Chamorro Promises Struggle To Expand UNO P 21

CUBA

Juragua Nuclear Plant Agreement Signed With USSR Q 1
Castro Greets Cypriot President on Arrival Q 1
Official Talks Begin [Nicosia] Q 2
Havana Radio Commentary on L.A. Foreign Debt Q 2
Construction TU Leader Removed From Post Q 3

CARIBBEAN

Nicaraguan Delegation Ends Caricom Tour S 1

GRENADA

Gairy Says Party To Make Comeback in 1987 S 1

JAMAICA

Government Reschedules Venezuelan Foreign Debt S 2
Poll Reveals Dissatisfaction With Seaga S 2

SURINAME

School Leaders Meet With Education Minister U 1
Paper Says Anti-Bouterse Unrest Increasing U 1
[Rotterdam NRC HANDELSBLAD 20 Feb]
Planning Official Cited on Bauxite Companies U 2
[Amsterdam DE VOLKSKRANT 17 Feb]
Education Agreement Signed With Soviet Union U 2

GOVERNMENT 'MAY DECLARE' DEBT MORATORIUM

PY250105 Buenos Aires DYN in Spanish 0005 GMT 25 Feb 87

[Excerpt] Buenos Aires, 24 Feb (DYN) -- Tonight, the Argentine Government is getting ready to make substantial changes in its position regarding international banks and financial organizations, and may declare a unilateral moratorium similar to that declared by Brazil. Argentina will also adopt a package of domestic economic measures that will reinforce price freezes and will include salary increases.

Economy Minister Juan Vital Sourrouille will speak today at 2030 [2330 GMT] over a national radio and television hookup to announce these new foreign and domestic measures. In an unscheduled meeting held this evening on the fifth floor of the Finance Palace, Sourrouille disclosed to U.S. Ambassador Theodore Gildred those measures affecting creditors. [passage omitted]

CENTRAL BANK DECLARES 25-26 FEB BANK HOLIDAYS

PY242325 Buenos Aires TELAM in Spanish 2253 GMT 24 Feb 87

[Text] Buenos Aires, 24 Feb (TELAM) -- The Central Bank of the Argentine Republic has announced that it has declared 25 and 26 February banking holidays. The measure, which was announced through Communique 7371, states that the banking holiday will be in force nationwide and that, although the financial institutions will not be open to the public, they will perform their normal internal operations.

MARTINEZ: AUSTRAL PLAN ADJUSTMENTS FORTHCOMING

PY241601 Buenos Aires NOTICIAS ARGENTINAS In Spanish 1317 GMT 24 Feb 87

[Text] Buenos Aires, 24 Feb (NA) -- Vice President Victor Martinez admitted today that "readjustments to the Austral Plan mechanism" will be made, but he did not specify what readjustments. He also announced that in the immediate future the government will implement "a mechanism to deal with the difficult situation affecting retirees and pensioners," whose incomes "in my view," he said, should be "readjusted by a significant amount." As he ended his routine meeting with President Alfonsin at Government House, Vice President Martinez said that the social welfare system is running a deficit of 1.2 billion australes, and that it needs to obtain "genuine resources immediately."

COMMUNIQUE SIGNED ON ZAIRIAN PRESIDENT'S VISIT

PY211952 Buenos Aires BUENOS AIRES HERALD in English 21 Feb 87 p 11

[Text] (NA-DYN) -- President Raul Alfonsin will visit Zaire on a date yet to be determined to repay the visit made here by Zaire President Mobutu Sese Seko, it was announced yesterday.

The announcement was made by Foreign Minister Dante Caputo during the signing ceremony of a joint declaration also signed by his Zaire counterpart, Elika Liyonda [name and title as published].

Caputo said relations between Argentina and Africa had not been properly developed so far but the document signed last night contained a spirit of rapprochement between Argentina and the African Continent.

Mobutu, who arrived here on Thursday for a three-day visit, unexpectedly announced yesterday he would be returning home early today and had therefore cancelled visits planned to Rosario and Cordoba yesterday and to Lujan today.

Mobutu was to fly home in a supersonic Concorde aircraft which arrived yesterday on a first trip to Argentina in almost nine years.

In the joint document issued last night Argentina expressed its appreciation for the constant support given by Zaire to Argentina's stance over the Malvinas Islands and the two countries stressed the "indispensable need of a vigorous South-South cooperation."

The document also condemned the "illegal occupation of Namibia by South Africa" and expressed concern at the serious economic situation caused by the drop in world prices of raw materials.

Early yesterday Mobutu paid a protocol visit to Congress, where he was received by Vice-President Victor Martinez, as chairman of the Senate, and by Lower House Speaker Juan Carlos Pugliese.

Mobutu said that in the past there had been reciprocal historical differences between Argentina and Africa, but added that both countries had "common problems which have to be overcome, such as the foreign debt and the need to improve the living standards of the population."

Mobutu Departs 21 Feb

PY211432 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1204 GMT 21 Feb 87

[Text] Buenos Aires, 21 Feb (NA) -- Zairian President Mobutu Sese Seko today left from the Aeroparque Airport at 0830 [1130 GMT). He was seen off by President Alfonsin and other officials. Following the protocol ceremonies, Mobutu and his entourage boarded a plane that took them to Ezeiza Airport, from where they took a Concorde plane to Washington.

GUATEMALAN PRESIDENT CEREZO BEGINS OFFICIAL VISIT

PY232323 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 23 Feb 87

[Excerpt] Buenos Aires, 23 Feb (NA) -- Upon arriving in the country on a 4-day visit, Guatemalan President Vinicio Cerezo Arevalo today voiced his solidarity with "the Argentine effort to promote democracy." During his visit, President Cerezo will discuss with President Alfonsin the Central American situation and the status of the Contadora Group's efforts to find a negotiated solution to the conflict.

Cerezo arrived at Jorge Newbery Airport at 1700. He was welcomed by President Raul Alfonsin, cabinet ministers, Senate President Edison Otero, Chamber of Deputies President Juan Carlos Pugliese, Joint Chief of Staff Teodoro Waldner, Papal Nuncio Ubaldo Calabresi, and other high-ranking civilian, military, and diplomatic officials.

Speaking at Jorge Newbery Airport, the Guatemalan president said that "Argentina is a country that has always fought for the Latin American cause." He added: "We are here to voice solidarity with the Argentine effort to promote democracy." [passage omitted]

FINANCE MINISTER CARIAGA: DEBT WILL BE HONORED

PY232256 La Paz La Red Panamericana in Spanish 1700 GMT 23 Feb 87

[Text] Finance Minister Juan Cariaga has stated (?in Government House) that Bolivia must honor its foreign debt, especially with the international organizations and the countries that have granted our government credits on favorable terms. Cariaga also said that the Bolivian Government (?respects) the decisions adopted by each country regarding their creditors. However, he said, the Bolivian Government has a defined policy regarding the foreign debt problem.

[Begin Cariaga recording] In our case, he said, we will need international resources for many years. Therefore, we must make an effort to honor our commitments, especailly with those countries that grant us credits on very favorable terms; credits through which we receive more than we have to repay. This is especially the case of multilateral organizations from which we have received twice the requested [words indistinct], so we got much more than what we paid. [end recording]

Nonetheless, Minister Cariaga said that the situation of our foreign debt with the international private banks is different. He said that the Bolivian Government is not paying these banks since the country is not receiving favorable credits from them.

Negotiations 'Successful'

PY241736 Paris AFP in Spanish 1322 GMT 24 Feb 87

[Text] La Paz, 24 Feb (AFP) -- After affirming that his country is carrying on successful debt renegotiations, particularly with European countries, Finance Minister Juan Cariaga said today that Bolivia is not facing problems like the ones Brazil is facing. Cariaga explained that negotiations are making progress, particularly with France, which is allowing great flexibility in the treatment of the bilateral debt. He pointed out that greatest problem for Bolivia is its bilateral debts with Brazil and Argentina, the renegotiation of which will begin in March.

BARTHELEMY CONFIRMS ARREST OF PERUVIAN REBELS

PY241921 La Paz La Red Panamericana in Spanish 1700 GMT 24 Feb 87

[Text] According the an EFE report, Bolivian Interior Minister Fernando Barthelemy confirmed today in La Paz the arrest of five alleged members of the Peruvian armed organization Red Fatherland [Patria Roja]. Barthelemy indicated that the detainees confessed that they came to Bolivia to stage holdups and then join the activities of Red Fatherland in Peru.

Barthelemy also pointed out that Uruguayan citizen (Julio Justo Ilollanez) has been taken to the La Paz jail on charges of staging a holdup in an exchange house in La Paz last year. He is also accused of other crimes related to counterfeiting Bolivian pesos and dollars. He confessed to the Bolivian Police of having contacted the members of the Peruvian terrorist organization the Shining Path. He explained that the crimes he is charged with were perpetrated in cooperation with Spanish, Argentine, Peruvian, and Ecuadoran citizens who are connected with subversive organizations in their respective countries.

REPORTAGE ON REPERCUSSIONS OF DEBT SUSPENSION

'Joint' Argentine Action Discarded

PY242356 Madrid EFE in Spanish 2150 GMT 24 Feb 87

[Text] Brasilia, 24 Feb (EFE) -- Brazil and Argentina today discarded any plan to jointly renegotiate their foreign debt. The countries did, however, decide to maintain a permanent exchange of information on the proposals made to their creditors.

This agreement was reached by Brazilian Finance Minister Dilson Funaro and Argentine Finance Secretary Mario Brodersohn during a 2 and 1/2-hour meeting today.

Oarco Antonio Diniz Brandao, the Brazilian Finance Ministry's official spokesman, said that the two officials "evaluated the domestic situation of their economies in relation to the reform plans in Argentina and Brazil." He added that "the debt was also evaluated and both officials explained their proposals to their creditors in general terms.

The Brazilian spokesman said that Funaro and Brodersohn thoroughly discarded the possibility that the two countries carry out any joint action to get better terms for the renegotiation of their foreign debts. The Brazilian foreign debt is $108.8 billion and that of Argentina, which is the third largest Latin American debtor, is $50 billion.

At the conclusion of the meeting held in the Brazilian Finance Ministry, Brodersohn, who was accompanied by Jorge Romero, under secretary of international economic affairs of the Argentine Foreign Ministry, returned to Rio de Janeiro and he will leave for New York tonight. Thompson Florez, who is in charge of Argentine affairs in the Brazilian Foreign Ministry also attended the meeting.

Despite the insistence from a dozen reporters who gathered in front of the Finance Ministry, Brodersohn refused to discuss the possibility that the Argentine Government will announce a new economic plan known as "Austral II" in the next few days.

Bank Prepares for Retaliation

PY250202 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 24 Feb 87

[Text] The Brazilian Government has hardened its position regarding very short-term loans. The Central Bank has telexed creditor banks to inform them that it will no longer be possible to draw against very short-term loans, the so-called 13-4 projects at Brazilian bank agencies abroad, including those of the Bank of Brazil. This measure adopted by the Brazilian Central Bank seeks to prevent possible retaliation by foreign creditors. As of now, those who may want very short-term loans from Brazilian agencies abroad will have to be satisfied with an account for the same amount at the Brazilian Central Bank.

Calazans, Maciel Comment

PY241443 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Feb 87

[Text] Yesterday in London, Banco de Brasil President Camilo Calazans explained the Brazilian position regarding the decision to suspend payment of interest on the debt, and listened to the opinion of the financial community on the Brazilian decision.

Calazans, who is also president of Eurobras, went to London to attend that institution's executive board meeting.

Civil Cabinet Chief Marco Maciel, meanwhile, said that Brazil will reexamine its foreign debt, which now amounts to $108 billion. He pointed out that to pay more than what has been legitimately agreed upon is out of the question.
[Maciel recording indistinct]

Marco Maciel has said that the creditor banks have not retaliated, and added that President Sarney is preparing several measures to control the public deficit, including the suspension of subsidies.

Sodre on Foreign Reaction

PY241343 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Feb 87

[Text] Foreign Minister Abreu Sodre yesterday said he does not believe the Brazilian decision to suspend payment of interest on its debt will create any difficulty in its relations abroad. He warned, however, that the government must be careful about domestic problems and prevent recession.

Sodre did not go into detail on the reactions of other countries that have economic relations with Brazil, but he said that cables received from Brazilian Embassies abroad state that reaction is favorable.

The committee of creditor banks has met in New York and has reached the conclusion that difficulties will occur. They do believe, however, that the problem can be solved.

THE WALL STREET JOURNAL stated that Brazilian decision is a challenge to banks but that bankers are used to this type of challenge and are optimistic about future negotiations with President Sarney's administration.

Domestic Policy Not To Change

PY211705 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Feb 87

[Report by Lourival Macedo]

[Text] Finance Minister Dilson Funaro has stated that the government will not make any policy changes on the domestic front.

[Begin Funaro recording] There will be absolutely no changes on the domestic financial front. We are not changing any of the existing rules. Another important point related to the monetary exchange policy is that the government will continue to maintain its policy of daily minidevaluations of the cruzado. No maxidevaluation is being considered. Therefore, there will be no changes in our domestic policy. [end recording]

Brazil has notified its creditors of its decision by a telex sent to the steering committee. The telex did not state, however, when the measure would end.

In Funaro's opinion, the suspension of interest payments will not change the Brazilian bargaining position regarding its creditors because the Brazilian international reserves now stand at $3.96 billion, which cover the cost of basic imports for 4 months.

Therefore, no recession similar to that of 1982 can occur now. In 1982, the country had to turn to the IMF.

[Begin recording] [Funaro, in progress] ... a bargaining position: Brazil has reserves, it has defended its reserves through the move we made today, so that we do not again experience the recession we suffered 4 or 5 years ago, when Brazil ran out of reserves and had to turn to the international market, thus placing itself in a very difficult position indeed.

[Reporter] Is this, then, a first step toward a (?more expensive) suspension?

[Funaro, interrupting] [Words indistinct] and we are going to negotiate with our creditors at the right time. We declared the suspension, but we are going to negotiate. [end recording]

Funaro also stated that the negotiations are designed to prevent the country from having to send abroad larger amounts of money that it can afford and thus prevent a recession. He said the country seeks to grow in order to pay its debt. Negotiations will start during the Carnival celebrations when Funaro himself and Central Bank President Francisco Gros will travel to the United States to resume talks with international banks.

Mexico, Venezuela Express Support

PY241305 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Feb 87

[Excerpt] [Passage omitted] Venezuelan President Jaime Lusinchi has telephoned President Sarney to express solidarity with the Brazilian position. During their conversation, President Lusinchi recalled that Brazil has always paid its foreign debt promptly. President Sarney added that during his first 2 years in office his administration paid $21 billion in interest on the debt, without having received any other credit. Lusinchi then said that the foreign debt of the Latin American countries must be reexamined. Mexico has also expressed its support. Mexican Finance Secretary Gustavo Petrocioli said that Mexico will support Brazil.

SARNEY INVITES PTB TO JOIN GOVERNMENT COALITION

PY210321 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 20 Feb 87

[Excerpt] Brazilian President Jose Sarney yesterday invited the PTB [Brazilian Labor Party] to join the Democratic Alliance and promised that the party will participate in the government political council. Deputy Castone Righi, PTB leader in the Chamber of Deputies, said that the party will struggle for a post in the executive branch and will present a candidate for the Ministry of Welfare and Social Security.

Meanwhile, the national and regional leaders of the PFL [Liberal Front Party] did not agree during a meeting on whether to support President Sarney. The meeting was convened to discuss the main issues worrying the PFL, such as its lack of participation in the government, the economic crisis, and the reform of state administration. The meeting also had intended to take advantage of the proposals presented by the PFL regional leaders to agree on the party's position regarding support for the government. However, a consensus was not reached and at the end of the meeting the PFL leaders decided to postpone the decision until March, when the party's national directorate meets. Senator Carlos Chiarelli, PFL leader in the Senate, has explained that the disagreements within the party are so strong that the party has split into three different factions holding different opinion. [passage omitted]

FERNANDEZ' U.S. STATEMENT GIVEN TO COURT MARTIAL

PY242040 Santiago Domestic Service in Spanish 1600 GMT 24 Feb 87

[Text] The Foreign Ministry has sent to the Court Martial the text of the statement made by Major Armando Fernandez Larios before the Columbia District Court, United States. This was revealed in a press release from the Foreign Ministry, which notes that this step was taken in the spirit of cooperation which the government extends to the court.

The Foreign Ministry's communique, which was handed out by Paulo Valdez, reads as follows: Yesterday, in the spirit of cooperation with the court, the Foreign Ministry sent a note to the Court Martial president, submitting the text of the statement made before the Columbia District Court, United States, by Mr Armando Fernandez Larios on 4 February, as part of a criminal case that is being processed in that court.

The Foreign Ministry note reveals that the text of that statement was made available by the Embassy of the United States in Santiago.

CPCH LEADER HALES ENDORSES PAPAL VISIT

PY191414 Santiago LA SEGUNDA in Spanish 10 Feb 87 p 8

[Interview with Patricio Hales, Chilean Communist Party (CPCh) leader, by unidentified LA SEGUNDA reporter -- time and place not given]

[Text] [Reporter] What does the coming visit of the Pope mean to you and the CPCh?

[Hales] It is undoubtedly an event of historic importance since the Pope is an international figure, and because he is the head of the Catholic Church. Rather than labeling the event, I look at it with a lot of respect because I have great respect for the Chilean Catholic Church. Our respect is not a tactical one; it is founded on essential aspects and concrete values of Christianity such as the defense of life.

[Reporter] How is one to understand this statement considering that the CPCh holds that the use of violence is legitimate?

[Hales] In a Vatican document, Ratzinger also speaks of the "last recourse" referring to the armed struggle, and he talks about it in political terms. I agree with this last recourse, and I also respect the church's preference for the poor and its humanism epitomized by love for the fellow man, etc.

[Reporter] What consequences will the Pope's visit have?

[Hales] There have been superficial opinions regarding that point. Some people believe that his presence will help Pinochet and others believe it will help overthrow him. I think the result of his visit to Chile will depend on the rapport that the Chilean people will be able to establish with the Pope. That is their responsibility.

[Reporter] Has the CPCh already planned how to establish this rapport?

[Hales] There is no such a thing as a party plan. The Chilean Communists are part of the Chilean people and they will not express themselves independently, even though we have the right to do so. We are part of the history of this country. Our party and the Popular Democratic Movement (MDP) would like to have a meeting with the Pope.

[Reporter] If the meeting is not possible, what do you think needs to be done to obtain this rapport?

[Hales] We want the Pope to get to know the real Chile, not a stereotyped vision from the left or from an opposition pamphlet. In Santa Rosa, for instance, we would like him not only to see the people from the podium, but also to visit their dirt-floor homes.

[Reporter] But in real terms, what are you thinking of doing?

[Hales] People are ingenious and intelligent. They will find a way to respectfully express themselves. In Santa Rosa, for instance, the Pope will be handed a cup containing a kneaded piece of bread representing the inhabitants' food.

[Reporter] It seems that you ascribe great importance to his meetings with the slum dwellers....

[Hales] We feel close to those who suffer most in our country. We, the CPCh and the MDP, have been their voices. We do not identify with the ceremony at La Moneda Palace, but it will be up to the church to decide which official engagements are suitable for the Pope to attend. We are not going to use the Pope's visit for political purposes. For instance, I would like to be a guest at the meeting which he will hold with professionals, the one that is called the meeting with the cultural community. I think his visit cannot be biased.

The CPC will participate in all the events in which our people participate. Besides, it should be remembered that a lot of CPC members are Catholics.

[Reporter] But are there party instructions on participating and expressing oneself in certain ways during those events?

[Hales] Political parties did not invent the barricades. The people will spontaneously express themselves and their expression will not be the consequence of party instructions.

[Reporter] Pope John Paul II has voiced several times his concern over communist activities. How do you explain the interest of the party in participating in the meetings?

[Hales] I mentioned the reasons at the beginning, and that is what is important. We may disagree with some of the proposals he could have made. In the Chile of the future, we will perhaps disagree, but that does not mean we cannot do it with respect.

FOREIGN MINISTER DISCUSSES RELATIONS WITH CUBA

PA242012 Paris AFP in Spanish 1418 GMT 24 Feb 87

[Text] Bogota, 24 Feb (AFP) -- The participation of Cuba is basic for peace in Central America, Colombian Foreign Minister Julio Londono said, adding that Colombia will continue working toward this goal.

After disclosing that he has been in contact with his Cuban counterpart, Isidoro Malmierca, seeking future resumption of relations, Londono added that Central American peace is very important.

Colombia and Cuba suspended diplomatic relations in March 1981 when the Bogota government confirmed that a group of M-19 Colombian guerrillas had been trained in Cuba.

Londono said that there is a rapprochement between the Governments of Colombia and Cuba: "We have cordial, but not formal relations," he pointed out.

Londono added that "there is no decision on the reestablishment of diplomatic relations." He admitted, however, that "there are possible contacts" that reflect that conversations are heading in the right direction. "This does not mean we are going to have relations soon," he explained. "We hope Cuba will cooperate in finding a solution to the Central American crisis," he said, and concluded that in order to reach this goal, "one not only needs political willingness, but also the sincere and definite contribution of the countries in conflict."

Senator Views Issue

PA231851 Bogota Inravision Cadena 1 Television in Spanish 1730 23 Feb 87

[Report by Ricardo Canon]

[Text] Ernesto Samper Pizano, senator and member of the Liberal Party directorate, ruled out any possibility of reestablishing diplomatic relations with the government of Fidel Castro for the time being. The Cuban leader told the Colombian political leader that there is a climate of friendship and understanding, but conditions are not yet ready to remove the barriers between our two countries. Samper was surprised at the social advances made in Cuba.

[Begin recording] [Reporter] Did you have a chance to talk about economic or military-tactical support by Cubans of the Colombian guerrillas?

[Samper] Yes. We discussed the subject, and Castro maintains that the Cuban Government has a political type of relationship with the Colombian guerrillas, but not one of cooperation. In other words, they understand each other politically as they share the ideals or goals of the guerrillas, but the Cubans are not cooperating with the guerrillas economically or with supplies. [end recording]

Samper described writer Gabriel Garcia Marquez as our permanent ambassador to the Cuban Government.

DEFENSE MINISTER DISCUSSES TRAFFICKERS, GUERRILLAS

PA241249 Bogota EL TIEMPO in Spanish 21 Feb 87 p 3-a

[Text] In a clear warning to the mafia, Defense Minister General Rafael Samudio Molina said yesterday that drug traffickers will never be able to intimidate or muzzle the press -- much less the government or the Armed Forces.

Gen Samudio, who said categorically that the struggle and accusations against drug traffickers must continue, yesterday headed the change of command ceremony of the reserves division of the Rincon Qiunones mechanized unit.

"The press cannot be silenced in a democratic country," said Samudio in view of the threats made by the Medellin "cartel" against several newsmen.

Samudio said that he "was stunned" after learning of the attack against journalist Henry Holguin in Cali. He said, however, that the press will always have the support and protection of the Army at these difficult times.

"The press can never be silenced, despite the number of victims it has contributed; and neither can the authorities or justice itself," Samudio added after installing Colonel Alvaro Bonilla as commander of the unit.

Samudio asserted also that the Armed Forces will never stop struggling against drug trafficking and will continue fighting this crime now more than ever.

Regarding the peace process, he said that the will of the Armed Forces corresponds with the goverument's thinking and policy of continuing to seek national reconciliation.

He noted, however, that there is clear evidence and proof of FARC's involvement in the latest attacks in the country, such as that at Tres Esquinas, where a National Police patrol was ambushed.

He argued that FARC have been straying from the commitments they undertook with the government and that they have continued to commit crimes in violent actions in some of the country's regions.

JOURNALISTS SUPPORT CAMPAIGN AGAINST TRAFFICKING

PA242124 Hamburg DPA in Spanish 1537 GMT 24 Feb 87

[Text] Bogota, 24 Feb (DPA) -- The main journalist groups of Colombia today issued a joint communique in which they support the campaign being carried out by the media against narcotics trafficking. In the communique, the journalists praise the media's decision to jointly publish reports having to do with narcotics trafficking, such as last week when newspapers, magazines, radio and television stations carried a research report published by THE MIAMI HERALD. These joint reports "decrease the risk factors for the individual journalists who are singled out for the reports they prepare on narcotics trafficking," the communique adds.

"Following the day of silence to protest the murder of Guillermo Cano, this second step shows that -- fortunately for Colombian democracy -- the media continues to be willing to support the right to information of all Colombians," the communique points out.

The director of the Bogota morning daily EL ESPECTADOR, Guillermo Cano Isaza, was murdered on 17 December 1986 by alleged narcotics traffickers, and the media observed 1 day of silence in an expression of protest.

The communique is signed by the Bogota Press Club (CPB), the Colombian Association of Journalists (ACP), the Foreign Press Association (APE), the Association of Press Workers, and the Newsmen's and Press Workers' Federation (FEDEPRENSA).

REBELS BLOW UP PIPELINE, CAUSE 'CONSIDERABLE DAMAGE'

PA232314 Buenos Aires REUTER in Spanish 1846 GMT 23 Feb 87

[Text] Bogota, 23 Feb (REUTER) -- The ECOPETROL (Colombian Petroleum Enterprise) press office reported today that leftist guerrillas blew up one of its pipelines in Antioquia Department, northeast of Bogota, causing considerable damage and the loss of 450,000 barrels of fuel. Police reported that the pipeline, which carried fuel from Medellin, was blown up yesterday by guerrilla forces of the National Liberation Army (ELN).

According to the ECOPETROL spokesman, two bombs caused a fuel spillage that polluted the Porce River. He added that fuel pumping operations will be renewed tomorrow, and there will be no supply problems.

ELN guerrillas also attacked a vital pipeline in Putumayo jurisdiction, in the country's southern area, on 8 February. The attack made it necessary to reduce crude oil production at Orito oil field; build a provisional pipeline; and caused 500 million pesos ($2.3 million) in losses.

ELN guerrillas, who in recent years have claimed responsibility for attacks against national and foreign companies' oil pipelines and installations, have announced that this action is aimed at preventing the extraction of national [words indistinct].

GROUP CHARGES FARC VIOLATION OF TRUCE PACTS

PA231552 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 23 Feb 87

[Text] The United Front of Caqueta has charged the FARC with violating the pacts reached at La Uribe as it is sponsoring or promoting the cultivation and trafficking of coca leaves, as well as continuing kidnappings, extortion, and the recruitment of young peasants through so-called family contributions.

A communique charged that in spite of the fact that there was a considerable improvement of the public order situation following the signing of the truce, it is very concerned today over the way in which the tranquillity of the citizens is disrupted by the violations of the La Uribe agreement.

The communique is signed by the Association of Cattle Farmers; the Chamber of Commerce; the Caqueta Cattle Farmers Fund; the Peasants Association; the Bankers' Committee; the Association of Lumber Dealers; the Savings and Loan Cooperatives; and the bishop of Caqueta, Msgr Jose Luis Cerna. The committee sent copies of the document to the FARC General Secretariat, the government, and the media. The document describes facts and situations that show the FARC has violated the truce and urges the FARC to adopt a serious attitude in the search for a resolution of the problems afflicting the nation.

ELN TO LAUNCH OFFENSIVE AGAINST FARC, UP

PA221746 Bogota EL TIEMPO in Spanish 20 Feb 87 p 3-a

[Text] Bucaramanga, 19 Feb -- The Army of National Liberation (ELN) announced here that starting in March, it will launch a stong military offensive against the FARC and its political arm, the Patriotic Union (UP).

The "Efrain Pabon Pabon" and "Domingo Lain Saez" war commands of this guerrilla group accused the UP of opportunism and pointed out that it is interfering politically "in areas like Cubara (Boyaca) and Saravena (Arauca) that are under the control of the aforementioned war fronts."

The ELN stated in a communique circulated here that it is not willing "to tolerate this antirevolutionary attitude as it is not the first time this has happened. In various places where our organization has bases, the FARC and UP have been obstructing our work, to the point of murdering some of our comrades."

The ELN revealed that the northeastern part of the country is one area where the other rebel group has been causing major problems. It warned that it will defend this area, "hoisting our banner of struggle to the ultimate consequences. The ELN presence will always be felt in this area, even if this means that our comrades' blood will continue to be shed."

Finally, making a declaration of war, the ELN said: "The Efrain Pabon Pabon and Domingo Lain Saenz war fronts are preparing to end the continuous FARC threat in the northeastern part of the country. In March 1987, we will launch an offensive against the reformists of UP and the oppresser Army."

UP STRESSES 'REAL INDEPENDENCE' FROM FARC

PA202351 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Feb 87

[Ricardo Canon report]

[Text] [Canon] Today, the UP reasserted its absolute ideological, political, and administrative independence from the so-called Revolutionary Armed Forces of Colombia, FARC; and at the same time, warned of a serious, widespread social crisis stemming from the growing insecurity and the improvisation in the handling of the economic policy.

The new political force, which will hold its fifth national plenum over the weekend, will devote a major portion of its internal debates not only to an analysis of the current state of affairs in the nation but to the organization of its forces with an eye on the popular election of mayors.

[Begin UP leader Jaime Pardo Leal recording] We will air our views on the disastrous official policy of the Liberal administration and will underline the UP's real independence from FARC. We will dispel the myth that UP is FARC's political arm. That is not true, and the country must know it. [end recording]

Pardo Leal Comments Further

PA231704 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 23 Feb 87

[Text] Since its creation, the UP has seen over 350 of its leaders die at the hands of hired assassins. Its political growth has been substantial in remote areas like Uraba, the Middle Magdalena River area, Arauca, and Meta. Today, the fifth plenum of this young political party ended at the national capital. Raul Benoit was there.

[Begin recording] [Benoit] The guerrillas, now bureaucratized but still shirt-sleeved and accompanied by veteran Liberal Conservative politicians from the provinces, confirmed during the fifth UP plenum held at the national capital their plans to contest mayoral posts in the territories under their control, where the FARC front exist. Although they clearly expressed their relation with the armed group, they affirmed that the alleged violations of the truce could be explained by the secretariat at the Casa Verde.

[Pardo Leal] We will participate in the popular elections for mayors, town councilmen, and deputies, seeking to contribute to the democratization of Colombian society.

[Benoit] Dr Pardo, is there any link between the FARC and the UP?

[Pardo] No, not at all. They will be expecting our conclusions as will the entire country. However, regarding the country's politics, they make their own decisions and resolutions and have their own modus operandi.

[Benoit] Has there been any disagreement between the FARC and the UP?

[Pardo] No, we have fraternal political relations with all those who favor social changes and renewal of the institutional life of the country, and those of us who hate fascism, militarism, and antidemocracy. [end recording]

CALI JOURNALIST SHOT, WOUNDED; 2 ARRESTED

PA201833 Bogota Emisoras CARACL Network in Spanish 1215 GMT 20 Feb 87

[Text] Cali -- Six doctors have treated journalist Henry Holguin Gudillos. He was shot by individuals riding a motorcycle as he was leaving his house to go to the Super radio station, where he works as deputy news director. Holguin was attacked by two men who walked up to the taxi that was waiting to take him from his house in Guacatal, a western suburb of Cali, to the radio station.

The journalist's wife, (Ana Malena Delgado), who was with him in the vehicle, said that the two men shot 15-20 times. The medical report indicates that three of the shots hit the journalist. After shooting the journalist, the criminals ran to a motorcycle, where a woman was waiting for them. The doctors who operated on him say that Henry Holguin is presently out of danger.

A few moments ago, Cali police arrested a man and a woman whom they initially link to the case of the Super network deputy director. Cali officials stated that operations to capture the criminals who attempted to kill journalist Henry Holguin will continue throughout the day.

GOVERNMENT ANNOUNCES REDUCTION IN DEBT PAYMENTS

PA242014 Paris AFP in Spanish 1845 GMT 24 Feb 87

[By Manuel Maldonado]

[Excerpt] Quito, 24 Feb (AFP) -- The Government of Ecuador, which in January did not pay an installment of its foreign debt because of lack of funds, last night announced in Quito its plan to reduce the payment of 1987 interest to a single annual installment of approximately $350 million in September.

According to the authorities, Ecuador will not pay in 4 quarterly installments the $700 million scheduled for this year, nor will it pay any amount to amortize the capital, which amounts to approximately $500 million.

"We will not continue to get into debt to pay previous debts," Monetary Board President Federico Arteta warned here last night during a meeting with politicians and bankers to which AFP obtained access.

According to those remarks and on the basis of the estimates of the foreign sales in 1987, the country will earmark 16 or 17 percent of their value to the servicing of its debt, which is more than $8 billion.

For his part, Central Bank Manager Carlos Julio Emanuel added that "we are also not going to sacrifice the foreign exchange produced by the private sector to service the debt." He said that the country will not dismantle its dual exchange system adopted in August.

"We will pay what we can really pay" because for the government of President Leon Febres Cordero, its first creditor "is the people," Emanuel added.

According to the system in effect since August 1986, the foreign exchange from private exports is negotiated on the free exchange market, where it is acquired by the importers of the private sector.

The foreign exchange produced by the state's petroleum exports -- which currently are not more than $1 billion annually -- are used for servicing the debt and for state imports.

The economic authorities clarified last night that the approximately $350 million financial gap estimated for this year in the current account will not be covered with new loans.

"We will pay what we can, without at any moment sacrificing our growth," Jaime Zeas, Central Bank financial adviser, said. [passage omitted]

FURTHER ON TEARGASSING OF U.S. ENVOY'S GATHERING

PATRIA Editorial

PY201400 Asuncion PATRIA in Spanish 19 Feb 87 p 7

[Editorial entitled: "Final Clarification"]

[Text] Long before the publication of the police communique -- which was refuted a few days later by the declaration of the "Women for Democracy," regarding the street incident near a "private residence" where "a group of ladies" offered a reception of a "non political nature" to the U.S. ambassador -- and even long before that, we spoke of a report by EL DIARIO which indicated the double purpose of the meeting "by personal invitations" on one hand and the political street rally on the other for which no authorization was requested in accordance with Article 4, Clause 13 of Police Law 877.

The report published in EL DIARIO on 10 February says: "Although only 300 people had confirmed they would attend the dinner, neighbors reported that at least 500 people gathered a block away from the house and began to sing 'Beloved Fatherland,' which prompted the police to take action." The only points missing in this report, in addition to the song, were the shouts of "Death to..." and "Down with...," the provocations to the police, and the struggle to break up the police cordon, etc. It is interesting to report what EL DIARIO added: "The gathering, which initially was scheduled for 2000 local time, because of the incidents, lasted until 2230 when the police cordon was finally lifted. Only two police guards remained at the residence last night." In other words, once order was reestablished and the street rally dispersed, the police cordon was lifted and only two police guards remained to watch over the security of the people still inside the house where the reception had been held.

Confirming the report published by EL DIARIO on 10 February, on the same day AFP also reported the incident, using as a source "a State Department spokesman," upon which we have commented in previous editorials.

Although the press agency also reported "an attack with tear gas conducted last night by the Paraguayan Police against a private meeting to honor the U.S. ambassador," it also explained how the events occurred and recognized that "other people who learned about the meeting apparently wanted to express solidarity, and so peacefully gathered 1 block away."

Obviously the street meeting was not the "social reception in a private residence" and although the reception was protected by the right to gather peacefully and without arms, the other meeting needed a police permit because it was held on the street. Therefore, the police cordon was justified "to safeguard public order and the rights of others."

As we have already said, both the EL DIARIO and AFP reports were published on 10 February. The police communique was published in the morning press on 14 February, which means that it was released on the evening of 13 February. After carefully reading the communique it can be confirmed that it says basically the same as was reported by the two other sources: that the case showed two parallel events, a "legal and peaceful" social event as it was labeled by the "Women for Democracy," and a political rally which caused the street disorders. The disorders involuntarily and by accident affected the "private demonstration to honor Ambassador Taylor."

If not for the two similar reports from two completely different sources that agree on the duality of the two events and the distinct motives of each, just the way it was reported in the police communique, we would find ourselves with the ambiguity of a "sui generis" social-political event in which the social aspect is a pretext for the political event, which is shown by the presence of well-known activists of the radical opposition and of the splinter groups of legal parties. Additionally, the fact that there were more people outside creating disorder than those attending the reception placed the U.S. ambassador "between two lines of fire" and in the critical situation of seriously violating Article 41, Clause 1 of the Vienna Convention on Diplomatic Relations which categorically says: "Notwithstanding their privileges and immunities all those who enjoy privileges and immunities must obey the laws and regulations of the state of which they are assigned. They are also prohibited from interfering in the internal affairs of that state."

In order to discard a violation of the Vienna Convention as well as any suspicion of intimidation or insult against the ambassador and his diplomatic immunity, we insist on the authenticity of the AFP and local press report because it confirms the essential part of the police communique and emphasizes the omission made in the publication on 14 February by the "Women for Democracy." This is most important because the report invalidates the statement that "the police attack, throwing tear gas directly in the house garden," was really against the legal and peaceful reception being held in a private house by personal invitation. The street rioters were certainly not "personal guests," or holding a peaceful meeting. It was not legal because they did not have a permit. This should be well understood because the street event, with all its political connotations, did exist and the effort to cover it does not "honor" the diplomat because it would put him in a compromising position under the terms of the Vienna Convention.

We are doing as much as possible to dispel that compromising situation.

Envoy To Explain Incident

PY201443 Asuncion EL DIARIO in Spanish 20 Feb 87 p 7

[Text] Government sources have reported that Paraguayan Ambassador to the United States Marcos Martinez Mendieta yesterday morning received instructions with which to explain to the U.S. State Department the incident involving U.S. Ambassador Clyde Taylor.

The instructions to Martinez Mendieta point out, among other things, that the police did not have any intention of offending, much less attacking Ambassador Taylor, his aides, or any of those with him. The police were compelled to take action because the people who had gathered in the street were insulting and offending the forces of order, in hopes of provoking an incident.

The police action was preventive in nature, and it sought to calm down the situation and prevent unpleasant incidents that might have followed.

According to the instructions given by the Foreign Ministry, the police had to use teargas grenades because of the people's aggressiveness. Well-known opposition politicians were seen among the demonstrators. Despite the warnings they continued to shout all kinds of insults against the police.

The police thus took action to disperse the demonstrators and avoid a serious incident.

The fact that a teargas grenade fell in the yard of the house where Taylor was, the Foreign Ministry instructions point out, was totally unintentional, and that there was absolutely no intention of attacking the U.S. ambassador or his aides.

The instructions to Martinez Mendieta also state that Paraguay, which has faithfully complied with the Vienna Convention on diplomatic immunity and privileges, demands compliance with the clauses dealing with nonintervention in the domestic affairs of other countries.

The Paraguayan ambassador was instructed to reject all subjective opinions on the incident based on erroneous reports.

Note Exchange Discussed

PY241543 Asuncion EL DIARIO in Spanish 24 Feb 87 p 9

[Text] Regarding the answer the government gave to the U.S. State Department on the Clyde Taylor case, Foreign Minister Carlos Saldivar said yesterday at the Government Palace that "our answer is based on actual facts."

The foreign minister recalled that the U.S. State Department presented a note which was answered last Wednesday and is now being studied by the U.S. State Department.

Asked about the content of the Paraguayan response, Minister Saldivar said: "Our reply was based on the facts according to information we obtained here in our country from the appropriate agencies."

Answering a question about whether our country expressed a position in its reply note, Minister Saldivar said: "We presented our position regarding the facts and the note from the U.S. State Department. Once the State Department analyzes our answer, its analysis will be made known to the public."

Asked about the protest the Argentine Government lodged on the same case, in which a woman official of the Argentine Embassy in Asuncion was also affected, the foreign minister said: "We have given our explanations of the case and the participation of the forces of public order in it, explanations of how it happened, and explanations of how the public has been informed of it."

The Paraguayan note to the United States emphasized, among other things, that our country respects diplomatic immunities and privileges in accordance with the Vienna Convention, but at the same time, it demands that the Convention's provisions on noninterference in internal affairs be complied with. This information was provided to this newspaper by government sources.

According to the same sources, the reply note also pointed out that the police intervention was not intended to offend, much less to attack, Ambassador Taylor. It also made it clear that the forces of public order took action only because the obvious purpose of the crowd gathered on the street was to cause an incident, as demonstrated by the insults shouted at police personnel.

The case to which we are referring took place on the evening of Monday, 9 February, when a group known as "Women for Democracy" gave a reception for Ambassador Taylor at a private residence in the Trinidad neighborhood. A woman official of the Argentine Embassy in Paraguay was also present on that occasion, which gave rise to the Argentine protest.

OPPOSITION PARTIES OPEN MEETING IN MADRID

PY250243 Madrid EFE in Spanish 2123 GMT 23 Feb 87

[Text] Madrid, 23 Feb (EFE) -- Paraguayan political opposition forces today discussed the possibility of creating a national front of broad social representation, as well as participating in the 1988 elections. During the first session of the "Meetings for Democracy in Paraguay," which opened today in Madrid, there were disagreements between the parties that refuse to participate in the elections and those that are considering participating, despite the electoral system, as a practical option for confronting the Stroessner regime.

Discussion centered around a proposal made by Fernando Vera, president of the Febrerista Revolutionary Party (PRF), regarding the Paraguayan political situation and the opposition strategy. Vera explained his party's proposal to create a "National Democratic Front for the upcoming elections. This proposal seeks to ensure guarantees for future elections." This opposition front would solidify the position of the forces that comprise the National Accord and other social sectors.

The "dismantling of the dictatorial regime" proposed by Vera was considered by some participants to be the best option because "the regime's lack of legitimacy" does not allow "participation in the electoral games." The possibility of the Paraguayan political forces agreeing to participate in the elections with a single candidate was also discussed, but no consensus was reached. Although participation in the elections without changing the system or the electoral law was considered by some to be accepting a "weakened democracy" other leaders such as Domingo Laino did not exclude any possibility.

Laino, exiled leader of the Authentic Radical Liberal Party (PLRA), told EFE that to confront the dictatorship it is necessary "to change the methods" without becoming an "accomplice" or "inactive." He added that from this viewpoint the chances of mobilizing the Paraguayan people and accelerating the process for the transition to democracy cannot be discarded. Although he considered his position to be one of "wait and see" Laino pointed out that international pressure and the Paraguayan socioeconomic situation "could make Stroessner agree" to a dialogue. Laino emphasized the "realism" of the transition process in Argentina, Brazil, Uruguay and the Philippines where the Armed Forces agreed to the holding of elections which, although limited, allowed a democratic opening.

Enrique Riera of the Colorado Popular Movement (MOPOCO) proposed the formation of a government of transition to reorganize the country and to organize the election of a constituent assembly within 2 years.

The Madrid press today gave wide coverage to the "Meetings for Democracy in Paraguay." The conservative daily ABC published a supplement on the current Paraguayan situation and Spanish television included the subject in its main programs.

GARCIA ASKS SUPPORT OF UNITED LEFT MILITANTS

PY212027 Lima Television Peruana in Spanish 0200 GMT 21 Feb 87

[Address by President Alan Garcia on 20 February at a rally held at the American Popular Revolutionary Alliance (APRA) headquarters in Lima to commemorate APRA founder Victor Raul Haya de la Torre's birthday -- recorded]

[Excerpts] Fellow citizens, fellow comrades: [passage omitted] From this podium I am addressing the militants of the United Left [IU], who also have a large following among the people and grassroots organizations. I am addressing you to say: Do not see us as your enemies; do not see us as competitors. We are all part of the same nation. We may uphold a different ideology, but we have the same purpose and determination to achieve a revolution. [applause, cheers]

In honor of Haya de la Torre, I urge all of you to avoid sectarian attitudes. Let us not be fooled by arrogance. An election victory tests the maturity of a nation. An election victory tests the responsibility of a great party that is just beginning, and we must show that we are great and generous, and that we are open-minded.

Being an APRA militant means that one is filled with obligations, and not that one is the first to have a job opportunity. Being an APRA member means that one must call on, unite, and rally all Peruvians, without exception, and make them aware of the democratic and anti-imperialistic revolutionary path. [applause]

In my daily activities I listen to many erroneous opinions from fellow party members who sometimes tell me: We have won the leadership of the Mothers Club in the Independencia district. And I tell them: What for? Why must we confront each other, if through the people's will we have already won the right to establish the great national guidelines? Why must we continue to struggle to have the pseudo-privilege of holding a public position? We must promote work and activities. If a Peruvian, no matter what his ideology, wants to work in that Mothers Club, we must encourage him and tell him: Go on, here is the leadership, and we will continue to support and promote this group. [applause]

What we are interested in is that things should be done well. We are not only interested in winning small or great elections. We are interested in achieving a revolution. We are interested in achieving the unity of the people. This is why when a comrade comes along and tells me that we have won the leadership of the shantytown, and we have defeated the communists, I ask him: Why can't you seek to implement a common action plan at the grassroots level, either to distribute a glass of milk or to build a school for the community? Why must we go separate ways? Why must we be divided? Why can't we walk together to achieve the changes that our country needs? [applause, cheers]

Speaking sincerely and without wanting to sound arrogant, and because I believe I do have some experience winning elections, I want to tell all of you that an electoral victory is not all that is important; it is secondary. What is important is how the power is wielded after it is acquired through an electoral victory. What is important is that we show that the heart of an APRA militant is not filled with sectarian feelings, but that he is able to work with other Peruvians and call on their help, and that this does not mean that in doing so we are renouncing those anti-imperialistic and democratic principles upheld by Haya de la Torre. [passage omitted]

BOMB ATTACK ON PRO-APRA UNIVERSITY IN LIMA

PY201321 Paris AFP in Spanish 1228 GMT 20 Feb 87

[Text] Lima, 20 Feb (AFP) -- A dynamite explosion today damaged the rectorate of the Federico Villarreal University, the downtown church La Inmaculada, and several neighboring houses, the Civil Guard has reported here.

The Federico Villarreal University is a stronghold of the ruling American Popular Revolutionary Alliance [APRA], which today is preparing to celebrate Fraternity Day to mark the birthday of its late leader and founder, Victor Raul Haya de la Torre.

No terrorist organization has yet claimed responsibility for the attack, which damaged the main door and the front of the rectorate.

The police believe this is part of an offensive launched by the Shining Path and by the Tupac Amaru Revolutionary Movement (MRTA) in response to last week's raids by the Peruvian Police on the engineering and education universities and the University of San Marcos. The Peruvian Government claimed that terrorist cells had been detected within the universities.

The attack occurred at approximately 0600 local time (1100 GMT). Neighbors said shock waves from the blast shattered the windows of houses within 4 blocks of the university.

It has also been reported that the explosion shattered most of the windows of the La Inmaculada Church.

SAN RAFAEL CITY HALL BOMBED, MAYOR KILLED

PY241309 Lima Panamericana Television Network in Spanish 0330 GMT 24 Feb 87

[Excerpt] Three bombs have been detonated at the city hall building in San Rafael, 43 km from Cerro de Pasco on the highway to Huanuco. The blast seriously damaged the building's facade.

In another development, Mayor Emilio Llano Zambrano, 76, was shot dead. According to eyewitnesses, more than 14 people wearing disguises burst into the house of Llano Zambrano and shot him once in the head and twice in the chest at pointblank range. [passage omitted]

IGLESIAS RETURNS; SANGUINETTI TO VISIT USSR

PY242124 Montevideo EL DIA in Spanish 8 Feb 87 p 11

[Text] Foreign Minister Enrique Iglesias yesterday told EL DIA that President Julio Maria Sanguinetti will make an official visit to the Soviet Union in June, and that CPSU Central Committee Secretary General Mikhail Gorbachev will visit Uruguay at the end of the year.

Sanguinetti will be the first Uruguayan president to visit the Soviet Union, and Gorbachev will be the first Soviet leader to visit Uruguay. The visits will be made within the framework of the consolidation of independent international policies.

After 20 days abroad, Iglesias returned yesterday and had lunch with Soviet Deputy Foreign Minister Viktor Komplektov, who in the afternoon concluded his 3-day official visit to Uruguay. Komplektov had previously met with President Sanguinetti, Foreign Ministry Secretary Alberto Rodriguez Nin, high-ranking Foreign Ministry officials, Senator Americo Ricaldoni who is president of the Legislative Branch Permanent Commission, and with Deputy Roberto Asiain, who is president of the Chamber of Deputies International Affairs Commission.

In a brief chat with EL DIA, Komplektov termed "excellent" the results of his stay in Uruguay. "I can frankly say that I am satisfied," Komplektov stated. He added that he regretted the fact that he did not have a free minute to tour "your beautiful city" and to know it better.

Asked about the stagnation of talks on future bilateral trade, the Soviet deputy foreign minister stated through an interpreter that "life is not easy, but that there are no dead ends. We understand this process and the two parties will seek methods and forms for economic and trade cooperation."

Komplektov stated that "the two sides have expressed the desire to continue developing relations not only in the economic and trade sectors, but in political and other sectors as well."

Uruguayan Foreign Minister Iglesias reported, however, that during the meeting they had an opportunity to "review some crucial points, such as the Soviets' position today in the world and Latin America. They reviewed the burning issue of Central America, bilateral relations in a broader sense," and the forthcoming Gorbachev-Sanguinetti meetings.

Regarding trade negotiations, he said that "we have explained our positions, the Soviets are trying to understand them, and obviously we understand that there are problems on both sides, but the important thing is that we understand that there is a desire to continue insisting on greater volume of trade, and that it must be supported by a political will, and by the desire to see if we can further develop relations which interest the two parties."

Trade negotiations have stagnated because the two parties have not yet reached an agreement on the basic guidelines. The Soviet Union wants an agreement with a one-to-one compensation. Uruguay is currently purchasing petroleum and capital goods from the USSR and intends to continue buying crude oil and to increase the purchase of processed goods provided that the Soviet Union increase its imports by some $100 million over a 3-year period.

Iglesias returned at 1400 yesterday, and he immediately went to the Foreign Ministry to meet with Komplektov. His arrival was scheduled for 1030, but was postponed because he missed a connection on his return to the country.

Komplektov Reviews Meeting

PY242333 Montevideo EL PAIS in Spanish 7 Feb 87 pp 5, 19

[Text] Soviet Deputy Minister of Foreign Affairs Viktor Komplektov yesterday held a 35-minute meeting with President Julio Maria Sanguinetti, but he did not reveal details of the meeting.

He confirmed the reciprocal invitations for Sanguinetti's visit to the Soviet Union and Mikhail Gorbachev's visit to Uruguay. He pointed out the intention of the two countries to strengthen trade relations and cooperation in various areas.

Wearing a gray alpaca suit, Komplektov went to the Government Palace, "Independence Building," accompanied by Soviet Ambassador Yuriy Lebedev and other officials.

At the conclusion of the meeting with the president, Komplektov talked with the press for about 15 minutes through an interpreter. He also autographed a book by Karl Marx ("Prices, Wages and Profits") for a Uruguayan woman. "Where do you want me to sign it?," Komplektov asked joking. "Where it says wages, said the woman." He then got in a Mercedes Benz and left.

Komplektov said that the meeting with President Sanguinetti made "a good and strong impression on him. Your president is very well known in our country. He is known as a very important man, a great statesman at the international level."

He was asked about the visits to be made by Sanguinetti to Moscow and by Gorbachev to Montevideo. He said that "I do not have anything definite on the dates"; the only thing I can say is that "the reciprocal invitations have been accepted. Regarding our country I can say that we are interested in the visits. During the meeting with President Sanguinetti we said that his visit to the Soviet Union will be a milestone in the development of bilateral relations between our countries."

Komplektov also said that various issues were discussed during the meeting with Sanguinetti, but because he is a guest he cannot disclose the contents of the talks. He added: "You can rest assured that I do not intend to hide the results of the conversation. What I would like to say is that the conversation was frank, quite open, sincere, and cordial."

Regarding bilateral trade Komplektov said that they did not discuss this issue in detail during the meeting "because it was very brief, but within the framework of bilateral problems we mentioned the issue of economic and commercial cooperation. We said that the two countries should make efforts to seek new ways to develop economic cooperation."

Questions were then posed on international politics and the recent measures announced by Mikhail Gorbachev on the domestic front.

Komplektov said that if he had 10 hours to talk about this issue he would be willing to talk in detail. He added: "Radical changes are taking place in our country, but listen: During the 70 years of existence of our government, a very powerful state has been created and efforts are now being made to improve what has been created during these 70 years of existence. Efforts are being made for a great move ahead within the shortest time possible."

He said: "I know that reporters do not like to talk about figures, but let me give just one: We have proposed to double the production of the national economy over the next 15 years and you can rest assured that we will fulfill that task." He added: "Despite the fact that our country does not have the good weather conditions you have, we are optimistic because we know how to work."

Regarding nuclear disarmament and the fact that after the recent nuclear tests made by the United States, the Soviet Union declared that it is free to make similar tests, Komplektov said that he wanted to point out that "if tomorrow the U.S. Administration stops its nuclear experiments, I am absolutely sure that Gorbachev will instantly put his signature on that document."

He added: "We are going to work very actively in all areas related to the limitation of armaments and to prevent the use of nuclear arms in space." "With this goal the Soviet Union fulfills a universal humanitarian mission" said Komplektov, referring to disarmament. He added that the Soviet Union expects support from every country, not only because the Soviet position for disarmament will be strengthened, but because we will come closer to the solution to vital problems.

"We are aware of all the problems and difficulties in our relations with the United States, but we will continue with the talks. It is more or less like the process of the Contadora Group. We know that the Contadora Group is facing great problems but the members of the Contadora Group and the Contadora Support Group have the political will to continue to seek a political solution to the Central American problem. The Soviet Union will continue to make efforts to find solutions to the current vital problems, that is, the problem of War and Peace," concluded Komplektov recalling the title of one of the books of the great Soviet writer Lev Tolstoy.

Iglesias Cites Trade Importance

PY241932 Montevideo EL DIA in Spanish 11 Feb 87 p 5

[Excerpt] Foreign Minister Enrique Iglesias has stated that the Uruguayan Government has conveyed to the Soviet Union "that extending our trade relations will be very important for us, because Uruguay has made a tremendous effort and this demands similar action from the other party."

Iglesias added that this point was mentioned by Viktor Komplektov, Soviet deputy minister of foreign affairs, during his recent visit to Montevideo. Iglesias said that Komplektov "understood our arguments and has promised to do whatever is necessary to make the Soviet Union respond to our foreign trade aspirations."

In remarks he made yesterday at the Libertad Building, after the weekly meeting with President Sanguinetti, the foreign minister denied that the Contadora Group has been able to make any changes in the Central American situation. [passage omitted]

TALKS TO REFINANCE FOREIGN DEBT TO CONTINUE

PA222305 Paris AFP in Spanish 1710 GMT 22 Feb 87

[Text] Caracas, 22 Feb (AFP) -- The Social Democratic Government of President Jaime Lusinchi will continue negotiations to refinance its foreign debt, which is estimated at $22.1 billion, despite Brazil's decision to suspend payment of its debts. Although declining to comment on the decision adopted by the Brazilian Government, Finance Minister Manuel Azpurua Arreaga said that negotiations with the creditor banks will continue this week in New York.

However, the Venezuelan Government could point to Brazil's case in seeking better payment terms. Presently, Venezuela is waging a campaign at home and abroad against a [U.S.] tax on oil imports, because of the importance of the U.S. dollar in its economy. In February 1986, the government got a short-term plan to refinance its foreign debt, but the plan had to be restructured because of the international drop in the price of oil. However, almost 1 year after the agreement with the international banks was signed, the talks have stalled although the Venezuelan Government paid $750 million as part of the refinancing agreement.

The talks with international banks have been stalled because Venezuela is asking for a deferral of payments on 1.2 billion [currency not specified] which should be paid in 1987, 1988, and 1989, as well as a lowering of the fee it must pay on the interest rates of its debts. Economic sources in this capital concurred in stating that the situations in Venezuela and Brazil are totally different, since Venezuela attained a refinancing agreement.

According to the economists, the Venezuelan Government should soon take a stance regarding the overall Latin American foreign debt because, unlike other countries of the region, the country has so far stated that it will pay all of its debts by earmarking a greater part of its foreign currency income to pay its foreign debt. Meanwhile, the payment of its debts and the 93 percent devaluation of the bolivar in December are affecting Venezuela's domestic economy. The official inflation rate is expected to be 30 percent this year. This is the highest inflation rate registered in Venezuela's 28 years of democratic rule.

DOCUMENT ADDRESSED TO U.S. CONGRESS ON TAX

PA201706 Caracas Television Service in Spanish 0000 GMT 20 Feb 87

[Passages within quotation marks recorded]

[Text] A document from Venezuelan political parties addressed to the U.S. Congress states that if Venezuela is affected by a U.S. oil import tax, the executive branch will ask the Venezuelan Congress to undertake a reorganization of the country's economic policy, including that dealing with the payment of Venezuela's foreign debt. Here is a report by Jenny Silva:

[Silva] In essence, the document expresses the Congress' rejection of new taxes or tariffs that its U.S. counterpart is trying to establish. The parties believe this is an attack on our country's social and economic development and that it also violates international trade reglations signed by the United States. The document also stresses the U.S. insistence on emphasizing the protectionist policy that makes access to the U.S. market by Latin American products difficult.

For Venezuela, the document states, it is a matter of sovereignty and security in view of the importance of the export revenues and the decisive role that the petroleum revenues play in national life. That is why the political parties represented in Congress demand that their U.S. counterparts think about the grave damage that a tax measure would cause to the petroleum exporting countries. In the Venezuelan case, such a restrictive measure would have unpredictable consequences on top of the already existing crisis.

[Godofredo Gonzalez of COPEI] "When Venezuela expresses its concern and its rejection of some measures proposed in the U.S. Congress, the obvious, logical, and advisable thing would be for the U.S. Congress to think about those measures and study the reasons why Venezuela rejects them."

[Jesus Angel Paz Galarraga of the People's Electoral Movement] "I think the document will have the virtue of showing the U.S. Congress that the various political forces of Venezuela are united in defense of petroleum and, in general, of Latin America's raw materials."

[Jesus Farias of the Communist Party of Venezuela] "The Americans are not moved by tears. They do not believe our reasoning no matter how patriotic or just. Nevertheless, this bill would have such explosive repercussions if implemented that they should think carefully about it."

[Silva] The document was approved unanimously. Today, the presidents of the political parties represented in Congress, setting aside their ideologies and political interests, gave a good example of unity in defense of national interests. The reaction and the response of the U.S. Government and Congress must now be awaited.

RED FLAG GUERRILLAS REPORTEDLY REAPPEAR

PA181316 Paris AFP in Spanish 0101 GMT 18 Feb 87

[Text] Caracas, 17 Feb (AFP) -- Four presumed guerrillas were arrested today in this capital, according to reports by Metropolitan Police Commander General Marco Pacheco. According to the report, the four were arrested during raids conducted by the police intelligence directorate in the Venezuelan capital. The identities of the detainees were not disclosed. Gen Pacheco said that the four people arrested are members of the Red Flag group. They were placed under orders of the State Security Police (DISIP).

Red Flag was very active from 1961 to 1965, when the Social Democratic administrations of late Presidents Romulo Betancourt and Raul Leoni had to deal with a vast pro-Marxist subversive movement. Red Flag had given no signs of life over the past several years.

BRIEFS

1986 DRUG SEIZURES, ARRESTS -- The commander of Caracas' Metropolitan Police has revealed statistics on the activities undertaken to control drug trafficking and consumption during 1986. The Metropolitan Police handled 1,111 dossiers on drug trafficking or abuse; arrested 337 traffickers, 1,072 adult consumers, and 2,891 juvenile consumers; and confiscated 21,065 grams of marijuana, 5,432 grams of cocaine, 43,203 grams of bazuko, 7 grams of morphine, and 816 amphetamine pills. [Summary] [Caracas Television Service in Spanish 0000 GMT 10 Feb 87 PA]

DE LA MADRID SUPPORTS SARNEY DEBT PLAN

PA250036 Paris AFP in Spanish 2354 GMT 24 Feb 87

[Text] Mexico City, 24 Feb (AFP) -- Today Mexican President Miguel De la Madrid expressed solidarity with his Brazilian counterpart, Jose Sarney, in regard to the foreign debt problems that he is facing. The Mexican Presidency reported that De la Madrid telephoned Sarney to voice his country's willingness to support Brazil "in these difficult moments," to the extent deemed necessary by the Brazilian Government.

UNOMASUNO Editorial

PA242120 Mexico City UNOMASUNO in Spanish 20 Feb 87 p 13

[Editorial: "Brazil: Growth With Moratorium" -- words within slantlines published in italics]

[Text] The Brazilian Government has not tried to hide the fundamental reason for the 90-day /technical moratorium/ that President Jose Sarney is expected to formalize today. The decision was made to prevent the country from sinking into the economic recession from which it only began to emerge in 1984.

The declared moratorium is consistent with the economic strategy Brazil adopted a few years ago, which had its last and feeblest expression in the Cruzado Plan: It promoted economic growth to reduce social imbalance while consolidating democracy. The extraordinary growth rate achieved by Brazil in 1986 -- which according to ECLA surpassed 8 points and according to European sources was even higher -- had to reduce the trade surplus, for any process of rapid economic growth usually results in higher levels of domestic consumption and an increase of imports.

The essential incompatibility between the Brazilian strategy and the IMF-prescribed adjustment programs is evident: The IMF forces the debtor-countries to remain in a state of recession, thus they will have a high trade surplus and will be unable to continue paying the foreign debt normally. The Brazilian Government was aware of this and so were the creditors; however, Brazil did not back down and apparently will not. Therefore, the moratorium was declared.

Hence, Brazil's decision should not be seen as evidence of the alleged failure of a plan aimed at recovering the nation's economic sovereignty. Instead, it should be seen as a corollary of the Brazilian Government's political determination to return to the path of development. When an indebted country has this in mind, an open or sly clash with its creditors is virtually inevitable.

Despite its conciliatory nature, the Brazilian moratorium will have serious repercussions in the international financial system. First of all, a radicalization in the different bankers' positions regarding the Third World's foreign debt can be expected. The /pro-Bakers/ [reference to plan proposed by U.S. Secretary of the Treasury James Baker] might consent to honor Brazil's request for an additional $5 billion in credit for this year. Meanwhile, the /anti-Bakers/ will probably refuse to grant new credits to the South American giant, as they did with Mexico. If the latter occurs, it is quite possible that Brazil's technical moratorium will become a real moratorium.

Finance Secretary on Debt Plan

PA211538 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 21 Feb 87

[Report by Yasmin Venegas]

[Text] Gustavo Petricioli, finance and public credit secretary, has said that the technical moratorium declared by Brazil is evidence of the danger which the lack of cooperation and joint responsibility in the debt problem represent for the international financial system.

[Begin Petricioli recording] We trust that Brazil will have the same luck Mexico did and that it will find conditions which will allow it to restructure its current foreign debt on long-term bases as Mexico was able to; that it may be able to lower the cost of debt servicing to the levels Mexico did; and that it may obtain a financial package which will allow it to reach the objectives we are striving for: to fight inflation, lower it gradually through the coordination of all the tools of economic policy, and reactivate the Brazilian economy. [end recording]

The finance secretary announced that Mexico will deliver the contracts for negotiation to its 400 creditor banks next week. Mexico, Petricioli explained, already has firm commitments for 97 percent of its loans. Meanwhile, our country has an extra $700 million that has been added to our international reserves so far this year. The finance secretary also reported that, in theory, it is relatively easy to implement programs to lower inflation. The results, however, are of short duration and the social cost is too high. Therefore, Mexico has decided to continue supporting the Program of Incentives and Growth [programa de Aliento y Crecimiento -- PAC] which contemplates a slower, but sustained development.

Further Petricioli Remarks

PA211429 Mexico City XEW Television Network in Spanish 1300 GMT 21 Feb 87

[Text] Mexico concluded 1986 with reserves of $700 million. Finance Secretary Gustavo Petricioli said that this level of reserves is one of the highest in our country's history. He pointed out that a few days ago Mexico paid more than $1 billion to settle part of its debt.

Petricioli announced that next week Mexico will deliver to more than 400 banks the contracts dealing with new resources and the restructuring of the foreign debt. He said that 97 percent of the financing that Mexico will receive has already been assured.

Referring the Brazil, the finance secretary said that the decision to declare a 90-day moratorium falls within the international clauses and that the measure will permit the reactivation of the economy of that South American country. He recalled that Mexico did the same thing in 1982 and in this way was able to resolve its financial situation.

At the beginning of the newscast we read a report about the remarks of Finance Secretary Gustavo Petricioli regarding Mexico's reserves and the foreign debt. We obviously skipped some zeros when we mentioned the figure on Mexico's economic reserves at the end of 1986. We said $700 million, but the correct figure of Mexico's reserves at the end of 1986 is $7 billion. Because it is $7 billion, Petricioli said that it was one of the highest in Mexico's history. Therefore, at the end of 1986, our country's reserves were $7 billion and, thanks to that, Mexico was able to pay $1 billion of its foreign debt a few days ago.

Agriculture Secretary on Moratorium

PA231624 Mexico City XEW Television Network in Spanish 1300 GMT 23 Feb 87

[Text] To ignore international commitments would entail a break among the nations of the world, Eduardo Pesqueira Olea, agriculture and water resources secretary, has stated. During an interview he granted to Televisa, Pesqueira Olea said it is not a good idea at all for Mexico to declare a moratorium.

He added that our most important debt is with the peasants, the workers, and the needy classes, and we must serve them first. He praised the important efforts by the Mexican Government to remain within the international economic agreement.

When referring to the moratorium declared by Brazil, he added that all commitments have their priorities, and President Sarney's first priority is with his people. In concluding, the agriculture and water resources secretary said that Mexico does not foresee a monetary problem in the near future, and he pointed out that new markets must be opened abroad.

MEXICO DENIES HUMAN RIGHTS VIOLATION CASES

FL201950 Mexico City NOTIMEX in Spanish 0434 GMT 20 Feb 87

[Text] Mexico City, 19 Feb (NOTIMEX) -- Jorge Montufar Araujo, secretary of Mexico's Chamber of Deputies, has denied that there are political prisoners in the country as stated by an Amnesty International report.

However, he explained that the legislative branch will analyze all complaint cases on alleged human rights violations in various parts of the country.

Montufar Araujo promised that the Chamber of Deputies will consider on a case by case basis if there were human rights violations because it is a permanent legislative commitment, he said.

The legislator acknowledged that nine human rights violation complaints in the State of Chiapas were filed, but opposition parties did not submit enough evidence to warrant an investigation.

He reiterated that he will look into all complaints submitted by political parties and by Amnesty International.

COMMERCE SECRETARY SUPPORTS TRADE WITH CUBA

PA242205 Mexico City EL DIA in Spanish 20 Feb 87 p 8

[By Jose Luis Uribe O.]

[Text] Mexico and Cuba have not been able to revitalize bilateral trade although they possess the adequate instruments to develop trade and contribute to strengthening economic cooperation between the two nations, Hector Hernandez Cervantes, Mexican secretary of commerce and industrial development, said yesterday in Havana. Hernandez made the statement during a ceremony to sign the modification protocol of the partial agreement between the two countries.

Hernandez Cervantes noted that the Mexican and Cuban Governments are determined to reinstate economic relations in accordance with an overall development prospect, to obtain bette results from mutual trade and increase the economic interaction.

Hernandez Cervantes recalled that the signing of the agreement in 1984 was very significant. He also mentioned the need to continue a pragmatic approach in mutual cooperation to increase the current trade levels.

He noted our economies are presently influenced by an international economic environment that has deteriorated to a large extent. "Although there has been a slight recovery in the growth of the net national product of the industrialized countries, the developing countries continue to face problems due to the drop in prices of basic products. [quotation marks as published]

Moreover, he added that due to the persistent high interest rates and proliferation of protectionist barriers that hinder the access of our exports to the international market. [sentence as published]

In this state of international economic imbalance and excessive protectionism, he said, my country has adopted a policy of opening trade, which seeks to eliminate quantitative controls and reduce tariff levels.

Hernandez Cervantes explained that the Mexican Government has started several plans for industrial reconversion and modernization that will give sufficient attention to the internal market and at the same time enable us to compete on the world market.

He believes that although the GATT is currently facing one of the most critical times in its history, it remains the only multilateral organization that controls world commerce and also provides a special and more favorable treatment for development nations.

The document was signed by Hernandez and Ricardo Cabrisas Ruiz, Cuban foreign trade minister.

The Cuban official noted that the economic and trade relations the two countries have maintained stand out through the partial agreement between Mexico and Cuba, which points out the decision of establishing agreements that will strengthen the Caribbean economy and trade.

PRC COMMUNIST PARTY DELEGATION ARRIVES FOR VISIT

FL242040 Mexico City NOTIMEX in Spanish 1836 GMT 23 Feb 87

[Text] Mexico City, 23 Feb (NOTIMEX) -- Central America's problems should be resolved without foreign intervention, Wen Jiabao, a leading officer of the CPC Central Committee, has said. Upon his arrival in Mexico City at the invitation of the PRI National Executive Committee (CEN), the Chinese official reaffirmed the PRC's support for Mexico's decisions on the region's problems and voiced admiration for the Contadora Group peace efforts. Wen Jiabao will exchange views with PRI leaders to find channels and means of exchange between the Chinese and Mexican peoples.

Tomorrow the Chinese delegation will meet with PRI leader Jorge de la Vega Dominguez and CEN Secretary General Humberto Lugo Gil. It will hold talks with leaders of the Confederation of Mexican Workers, Confederation of Popular Organizations, and National Peasants Confederation. It will also meet with Rafael Corrales Ayala, governor of the Central Mexican State of Guanajuato, and place a wreath at the Altar of the Fatherland.

NEW PAN LEADER VOWS 'FORCEFUL' ACTIONS

PA241241 Hamburg DPA in Spanish 1748 GMT 23 Feb 87

[Text] Mexico City, 23 Feb 87 (DPA) -- Mexican National Action Party (PAN), the major opposition party of the country, has announced its intention of radicalizing its struggle against the PRI's 50-year-old regime. PAN is accusing PRI of retaining power through illegal means.

PAN renewed its national directorate last week. It picked Luis H. Alvarez, 67, as its new leader. Alvarez is a former presidential candidate and former mayor of Chihuahua. He is an activist who led a "civil resistance" movement in July against the alleged fraud the ruling party perpetrated in the Chihuahua State elections. Together with Luis Alvarez, who captured 10.2 percent of the vote when he ran for president in 1958, a dozen businessmen from the states of Chihuahua, Durango, Nuevo Leon, Sonora, and Sinaloa, strongholds of the conservative opposition, were also picked as party leaders.

Alvarez defeated Pablo Emilio Madero during the meeting. Madero is a former presidential candidate and PAN leader. Alvarez is presently regarded as a sure candidate for the 1988 presidential elections. His party will try to get more than the 16 percent of the vote it got in the 1985 legislative elections. Announcing his decision to radicalize his party's opposition stance, the veteran PAN leader said that it was necessary to realize that the government "can no longer continue causing people's unhappiness with impunity, while curbing the people's yearning to live in a full democracy."

He added that the new leadership will conduct forceful yet nonviolent actions. "I do not subscribe to the view that violence is the midwife of history, because history has taught me that strident hours and barricades breed regimes insanely unfair, criminal, and deceitful," he stressed.

PAN will pick its presidential candidate in another meeting scheduled for November. It will draft its government plan beforehand. PAN, which has a Social Christian tendency, is proposing full deregulation of the economy and a change in foreign policy, which it regards as "leftist."

COSTA RICA

ARIAS DISCUSSES U.S. POSITION ON PEACE PROCESS

PA242150 San Jose Radio Reloj in Spanish 1200 GMT 24 Feb 87

[Text] President Oscar Arias Sanchez said after yesterday's meeting with Ronald Reagan's special envoy, Philip Habib, that there is not complete U.S. support for the peace proposals.

The president described the more than 2-hour meeting as fruitful; Habib's trip to Europe was discussed as well as that of Foreign Minister Rodrigo Madrigal Nieto.

Arias explained to Habib the reason for the Central American presidential meeting on 15 February, and they discussed the peace proposal's points.

President Arias stated after meeting with Habib that although the U.S. Government looks favorably upon the peace proposals, there is not full endorsement.

This way, if the United States had any doubts, they could suggest modifications to the peace proposal, although Habib did not disclose whether or not the U.S. had any objections to the current proposal.

Arias said that Habib is a diplomat who seeks to find a diplomatic solution to the regional problem, and thus he looks favorably upon the efforts made.

Both the president and the foreign minister told Habib that they are working hard and are listening to suggestions from other foreign ministries so as to present the Esquipulas meeting with a carefully studied document that will be signed and thus obtain peace.

Philip Habib, after meeting with President Arias, said that the United States is making an effort with Costa Rica to fully explore the peace process possibilities for the region. Habib stressed that the North Americans also insist on the area's democratization, which is the crux of the present discussions. He repeated that the position of his government is that all efforts to bring peace and democracy to Central America are welcome and stressed that he appreciates what Arias Sanchez said and for being clear and articulate in his explanations.

EL SALVADOR

DUARTE STATES CONDITIONS FOR TALKS WITH FMLN

PA250307 San Salvador Radio Cadena Sonora in Spanish 0300 GMT 24 Feb 87

[Interview with President Jose Napoleon Duarte by unidentified reporters on 23 February, place not given -- recorded]

[Text] Cadena Sonora listeners, today, Salvadoran President Jose Napoleon Duarte said that his job is to govern and not to participate in debates. He was referring to the possibility of debate among the country's diverse sectors, which the church is promoting.

When asked about the government's stance regarding this new church-sponsored dialogue, in which FMLN participation is ruled out, Duarte said:

[Begin recording] I do not know if Msgr [not further identified] has stated that view. I have not...[changes thought] I have listened to him. However, I have never heard him discriminating against anyone. He is talking about an overall concept in which all will participate in a debate regarding the country's crisis. He goes by the Christian concept that all of us must participate, that all of us are entitled to express our views, and that all of us must find the path of understanding and tolerance. It is not within the Christian spirit [words indistinct]. I feel that from this viewpoint, it is (?commendable), but the president of the republic obviously cannot be in a debate, because he was elected by the people. It is up to the people to participate in the debate. Deep down, the electoral process is a public debate on national issues; as to whether or not some view is valid. In the end, the people cast their vote. This is the plebiscite where the people decide on the debate.

[Reporter] Do you think that the conditions exist for a third meeting with the rebels?

[Duarte] I think that...[changes thought] so far, the rebels have not given us a reply. The government is always prepared so long as we establish a sincere dialogue. The rebels must define themselves on a subject that is vital to the country -- that is, whether or not they believe violence is the only means for a debate. If they believe that violence is not the means to achieve power, then there must be a formula. For me, that other formula is democracy. Therefore, there would be a lot to talk about. Thus the rebels must state whether or not they feel that violence is the means to achieve power. The moment the armed rebels say that violence is not the means to achieve power, I will go wherever necessary to discuss how they can join the democratic process.

[Reporter] Mr President, a university has invited an FDR member to its [words indistinct] anniversary. Will the government allow them to return to this country?

[Duarte] I believe ther are no Salvadorans in exile. Yet all Salvadorans must abide by the law of the Republic. Those who have committed crimes will be arrested and tried. If they want to enter the country, that is their problem. However, those who have committed a crime must also take this into account, because these are the laws of the country.

[Reporter] Regarding the fires that occurred on Saturday and Sunday, will the government adopt any measures?

[Duarte] It already is. It did so immediately. We sent the National Police to protect the burned out places and other places which possibly could be burned. We have been protecting them although we lack the economic means to fulfill all our duties which will become increasingly difficult from now on. Still, we will always be prepared to serve the country, the people, and all sectors. We must serve the business sector, which someone is trying to hurt with the fires. We are going to protect them as much as we can.

[Reporter] Any clues as to who did it?

[Duarte] None so far. This is being investigated, of course.

[Reporter] Does the government have the mechanisms to obtain the money that will not be collected through the National Sovereignty Tax?

[Duarte] We have not made a decision on that yet. We must first study all technical problems. [word indistinct] investigation, and will provide a report in order to make a decision later. [end recording]

DEFENSE MINISTER COMMENTS ON TAX RULING

PA241257 San Salvador Canal Doce Television in Spanish 0300 GMT 21 Feb 87

[Report by Alfredo Villareal; passages within quotemarks recorded]

[Text] [Villareal] Defense Minister Carlos Eugenio Vides Casanova said that the Supreme Court of Justice's decision to declare unconstitutional Decreee 481, known as the war tax, is a positive sign of the democratic process in the country. Vides also regretted that the decision was adopted, because he said it adversely affects the Army in its fight against the guerrillas.

[Vides] "We are concerned because these funds have already been invested and because we are going to have difficulties in replacing them. This will adversely affect our budget. I am not selfish about this, because I think about my people who are getting killed each day in combat. I think about the country having less time to solve its problems. Everyone has forgotten that the Armed Forces need a strategic rearguard, which is a united people fighting common goals. The common goal of the Salvadoran people should be the salvation of the country."

[Villareal] Defense Minister Vides also said that because of the measure, the Armed Forces will decrease the number of operations, which will mean that the country will face more problems in the future. El Salvador is at war, and the workers and citizens need protection.

[Vides] "I believe that in all organized societies, development and security go hand in hand. We want to promote security so the country may develop, but I believe that if the businessmen are smart, they should promote the country's security to protect their property. It is logical to say that those who have more have the most to lose. Those who have properties, homes, and farms need to have them protected by us."

[Villareal] In addition, Vides ruled out the possibility of a suspension of U.S. aid to the Army, because within a democratic process the unconstitutionality of Decree 481 is a positive achievement for Duarte's government, according to the military official.

[Vides] "Many countries, not only the United States, will see that unlike other countries such as Nicaragua, private enterprises have been able to make their voices heard even though it is against the interests of the government. The decision made by the Supreme Court will be respected. I believe that this is a positive step, and if I were a member of the U.S. Congress I would know that the aid I am approving for El Salvador will be used to preserve the democratic system and not just to make war."

Vides added that in view of possible changes that might confuse public opinion, it is necessary for politicians to have the capacity to solve problems because the country faces a difficult crisis.

[Vides] "I know that we will have problems in the future. More difficult problems are awaiting us. I believe that both government and private enterprises must learn to conduct their discussions within the framework of the law and of the rules of conduct for the survival of citizens. Both sectors could appoint persons capable of promoting a dialogue and not capable of going to war. What we really need are agreements. The government should openly say what its political limits are. The govenment must think about economic, political, and social aspects. Businessmen should say what their economic limits are without damaging their enterprises."

Defense Minister Eugenio Vides Casanova said that the Salvadoran Armed Forces will remain apolitical as long as the interests of the people are respected within a framework of democracy.

Further Commentary on Ruling

PA201927 [Editorial Report] San Salvador Canal Doce Television in Spanish at 0300 GMT on 20 February carries several reports on reactions by Salvadoran Government officials and business leaders to a decision by the Supreme Court of Justice declaring the National Sovereignty Tax unconstitutional.

In the first report, Deputy Culture and Communications Minister Roberto Viera is quoted as saying that a vacuum has been created within the country's Armed Forces. Viera feels that wealthy sectors should contribute more "as an act of justice." Although the government will abide by the decision, it will review the arguments the court used to declare the tax unconstitutional. He adds that the FMLN would be the most pleased by the decision, as it makes the people defray the costs of the war. The FMLN "will try to emphasize something they refer to as a heightening of contradictions within society," he states. Concluding, he said that the Armed Forces "are being directly hurt because they are defending national sovereignty."

The second report contains the reaction of Roberto Ortiz Avalos, executive director of the Salvadoran Industrialists Association, ASSI. He advises the government to seek greater understanding with businessmen, reduce public expenditures, and give incentives to the production and export of traditional and nontraditional products. "If the government wants greater taxes or revenues, it should reach an agreement with the private sector. The private sector will assume its responsibility to pay its taxes," Ortiz Avalos said. He also states that if trust is restored, "the situation will improve in 1 year."

The third report cites remarks by Finance Ministry official Jose Mauricio Aviles. He states that the government's only alternative is to seek greater financing in the United States or seek new taxes to increase the Army's budget. "If we add the government's budget allocation to the Defense Ministry and the U.S. donations to combat the so-called subversion, we have 1.5 billion colones. It makes no sense to earmark so much money to destroy our country. Instead, we really should strive to achieve peace." He adds that the government can find ways to end the war or come up with new ways to collect revenues for the Army's budget. At present, the Armed Forces allocation accounts for 32 percent of the 3.152-billion-colone government budget.

The fourth report is on the reaction by the Association of Businessmen and Industrialists, SCIS. The group welcomes the court's ruling. An unidentified SCIS member says that the tax "is detrimental to the interests of the Salvadoran people" as it leads to greater inflation. Moreover, the SCIS Board of Directors endorsed holding an honest dialogue between the government and private enterprise to work out their differences.

GUATEMALA

CHIEF OF STAFF OF NATIONAL DEFENSE RESIGNS

PA250243 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 24 Feb 87

[Text] General Edilberto Letona Linares, chief of the General Staff of National Defense, has resigned for health reasons. It was officially reported tonight that his successor will be sworn in at 1000 tomorrow.

According to the annoucement, the person who will occupy the position left vacant today by the chief of General Staff of National Defense will be presented tomorrow at the appointed time during a ceremony at the Defense Ministry. Letona has left for the United States for a medical checkup and apparently will not return to the position he assumed a few days ago. [as heard]

A week ago it was speculated that several prestigious young military officers had asked the defense minister to replace Gen Letona. However, the defense minister himself refuted the reports and said that the Army is obedient and unwavering in its support.

Presently it is not known who will assume the position of chief of General Staff of national defense, replacing Letona. The deputy chief is Colonel (Callejas), who may be promoted, it was unofficially remarked.

ORTEGA GIVES STATE OF NATION ADDRESS 21 FEB

PA212030 Managua Domestic Service in Spanish 1556 GMT 21 Feb 87

[State of the nation address by President Daniel Ortega Saavedra opening the sessions of the National Assembly in Niquinohomo -- live; broadcast in progress; all figures as heard]

[Text] ... on 19 July 1979 [words indistinct] in this National Assembly. Sandino lives in the organized force of the people. They are people who in 1986 intensified the strategic defeat of the U.S. Administration's mercenary forces. In 1986, the EPS waged close to 3,000 battles with counterrevolutionary forces. More than 90 percent of those battles were at the initiative of our forces. The initiatives of the counterrevolutionary forces consisted of attacks on agricultural cooperatives and the planting of mines on roads. These actions mainly claimed civilian lives.

It must be pointed out that the intensification of the strategic defeat of the mercenary forces has meant that Reagan's terrorists operate in increasingly more reduced and clearly defined areas of the country, thus limiting their ability to undertake these types of actions. However, the bulk of their forces continue to occupy 480 square km of Honduran territory and some portions of Costa Rican territory.

In 1986, the counterrevolution suffered 6,950 casualties. Of these, 4,532 were deaths. The counterrevolutionaries caused 6,565 casualties among civilians and combatants of the Nicaraguan people. These include dead, wounded, and kidnapped. Several brothers from friendly peoples who contributed their generous aid to the Nicaraguan people were assassinated.

The attrition of the mercenary army is shown by the fact that the plan made known by the U.S. President was to have up to 30,000 armed mercenaries in 1986. However, in reality, as a result of the defeat of the mercenary forces, President Reagan's plan has not been fulfilled and the mercenary forces do not have 30,000 armed mercenaries but only barely 6,000 armed mercenaries.

Nevertheless, the war continues and the Nicaraguan people continue to suffer the cumulative effect of the tragic toll of 6 years of the war of aggression directed and organized by the U.S. Government. The total number of victims from the beginning of the aggression to 1987 is 38,559 victims. This includes 19,980 dead; of these, 19,914 are counterrevolutionaries and 5,066 civilians and people's combatants. A total of 9,123 children are war orphans as a result of the criminal actions promoted by the U.S. Administration. This policy has displaced more than 250,000 Nicaraguans. Of these, more than 110,000 are in settlements organized by the revolutionary government.

The strategists of the National Security Council, the White House, the CIA, and the Pentagon call their state terrorism policy a low intensity war.

Nevertheless, if the United States were to be submitted to a low intensity war similar to the one that it is now directing against Nicaragua, the proportional equivalent in its population of 240 million compared to the 3.2 million of Nicaragua would be the following: In other words, if the United States were being submitted to a low intensity war as the one Nicaragua is facing, the United States would have 2,819,544 casualties, 1,466,482 dead, 684,888 orphans, and 18,750,000 displaced. It must be recalled that the total number of North Americans killed in Vietnam was 58,000.

This war has worsened the economic crisis that the country shares with the other Central American countries. The direct losses total $1.134 billion from the material damage, the financial blockade, and the trade embargo. The total effect on the gross domestic product, including direct and indirect losses, amounts to $2,821 billion.

Despite the magnitude of the aggression, the Reagan administration has not achieved its objectives in Nicaragua. They [not further identified] have been unable to reestablish U.S. economic, political, and military hegemony. They have been unable to control Nicaraguan territory to impose the so-called provisional government appointed in Washington. They have been unable to seize and hold for some time a large town or city for the purpose of armed propaganda [propaganda armada] despite their many attempts. They have been unable to create an internal front to assassinate leaders of the revolution, sabotage production, and take the war to the cities. The only thing that they have been able to do is to fulfill the mission they were given by the CIA: to sow death and destruction among the civilian population.

The Nicaraguan people will never surrender despite the economic sacrifice needed to defend its sovereignty, its independence and its revolution.

In the wake of the military defeat of its mercenary army and the aceleration of the demoralization process, the Reagan administration struggled hard during 1986 in the United States for approval of $100 million for its terrorist army. It is not that that $100 million can make any difference in the war outcome -- not even $500 million or $1 billion can make a difference. Reagan cannot sow his history in Nicaragua. It is not a question of signing a check for a greater amount. Reagan then desperately fought to stop what has been the demoralization and crumbling of the central part of his aggression policy against Nicaragua. They managed to obtain the funds to keep the revolutionary front going, thus disguising the failure and gaining time to create conditions for other darker options.

U.S. Administration officials have said that they do not believe the Congress will approve additional funds unless they see some results from the counterrevolutionaries after the $100 million was approved and $60 million had been disbursed. This means that they will try to mobilize the rest of the counterrevolutionary forces to a maximum and that they will attempt to increase their terrorist activities with additional escalations that will imply the involvement of other forces, including the U.S. forces themselves, the U.S. Armed Forces themselves. Therefore, it is necessary that we not rest for a moment until the counterrevolution is totally obliterated.

Therefore, we must prepare and mobilize ourselves to face other forms of aggression that are part of the imperialist plans. Therefore, the firm will of the Nicaraguan people to resist all forms of aggression, win the imperialist war, and defend the people's strongest wish: peace -- a dignified peace, a sovereign peace, an independent peace, a just peace.

Our foreign policy -- which is based on the principles of sovereignty, nonalignment, and self-determination -- is part of our peace struggle. Our foreign policy, based mainly on the concept of the people's defense of our sovereignty, has managed with international and Latin American support, and with the support of the American people themselves, to prevent the escalation of U.S. interventionism from imposing itself as the only alternative. With our people defending themselves energetically, the solution...[2-second break in reception] and true peace alternative for peace in Central America.

Avoiding generalized war means not to give up our efforts to establish room for negotiations and understanding among the Central American countries themselves. Nicaragua attended the Central American presidential summit at Esquipulas and supports the creation of the Central American parliament, believing that understanding and living together among brothers is possible as long as we defend national and regional interests, and not the hegemonic interests of outside powers. To submit ourselves to the U.S. line would mean a historic failure and isolation for Central America.

Nicaragua, in its struggle for peace, confirmed before the ICJ in 1986 that its lawsuit against the United States was fair. It become absolutely clear in the eyes of the world who is the aggressor and who has been attacked, who is the terrorist, who boosts the devastating war, and what did they do to maintain peace, order, and principles of international law.

The annals of UN history have on record the complete rejection of the intervention policy against Nicaragua, as was reflected during the last General Assembly voting, calling for compliance with the ICJ ruling and rejecting the illegal blockade against our country.

Nicaragua, in its struggle for peace and defense of small states, has taken its message to the most important international forums, having requested support and recognition for the fairness of this struggle by the worthy countries of the world.

In its struggle for peace, Nicaragua has clearly voiced its willingness to conclude the negotiations to sign the Contadora peace act. Nicaragua presented initiatives to establish standards for the Central American area's military affairs. Without a doubt, we can point out that Nicaragua is the Central American state that most determinedly backed the negotiations of the Latin American nations -- that is, the Contadora and Support Groups. These groups have continued their efforts to seek a new Latin American image to make possible our continent's joining again a new international economic order and an overall geopolitical system with the unity of interests that Bolivar, Marti, and Sandino endorsed.

The struggle for peace has also been expressed by Nicaraguan solidarity with Salvador Allende's country, Haiti, and Paraguay; as well as with the heroic people of El Salvador, who through the FMLN-FDR, demand the implementation of a peace plan that will put an end to war in their country.

In its struggle for peace, Nicaragua has strengthened friendship and solidarity links with the brother U.S. people. Prominent in this relationship have been youths, women, Christians, and various sectors of political, scientific, and academic communities of that brother people. Nicaragua pursues an open-door policy to all U.S. citizens who wish to visit our country.

In the year 1986 the contribution and solidarity of the socialist community and the fraternal ties between our peoples and governments have been a highly positive factor in the construction and defense of the new Nicaraguan society. This is a symbol of Nicaragua's independent and nonaligned foreign policy.

We have maintained our diplomatic relations with Western European countries, seeking to deepen them in the technical, economic, scientific, and cultural fields. Despite pressures on the part of the United States to isolate us, Nicaragua has received steadfast cooperation from the EEC, and bilateral relations have been strengthened with the majority of European countries.

Our foreign policy, based on the principle of nonalignment, has played a significant role in the Nonaligned Movement. We attended the summit meeting of those countries in Harare. At that meeting, Nicaragua obtained the support and solidarity of the nonaligned countries in the struggle that we are waging against the aggressor power. In line with the Nonaligned guidelines, Nicaragua used its good offices to form a bridge of communication between two brother countries that are presently bleeding in a fratricidal war: Iran and Iraq. In this same perspective, and motivated by historical awareness, we have developed our relations with African countries, and have been supportive of all their just causes, principally with the frontline states and the heroic struggle being fought by the South African people against the oppressive regime of apartheid, racism, and neocolonialism -- a regime that is supported by U.S. officials, who have refused to act with severity against the Pretoria regime.

As a matter of fact, last night and yesterday, a proposal from the international community was presented, calling for forceful sanctions against the South African regime. The U.S. Government opposed and vetoed the proposal.

In 1986, Nicaragua supported a disarmament dialogue for peace between the USSR and the United States. Despite the U.S. Government's rejection of the measures and proposals taken unilaterally by the USSR -- obvious gestures in favor of peace -- we must struggle to get the Reagan administration to give up its suicidal policy, and work instead in favor of peace by accepting the peace initiatives that we have mentioned.

In 1986, the world and Nicaragua suffered the loss of brother fighters for peace and independence of the peoples: Olof Palme, Zamora Machel, and Forbes Burnham.

After the revolutionary victory, the Nicaraguan people, led by the FSLN, started the historic process of building a real democracy. A momentous step was taken in 1984 with the holding of the first free elections in the history of the country, which institutionalized the revolution by electing a president, a vice president, and a National Assembly with 96 representatives of 7 political parties that run the gamut of the nation's poltitical ideologies.

It must be recognized that the parties participating in the elections were those that patriotically chose the option of a civic struggle and rejected the alternative of betraying the country, supported by the Yankee aggressors.

Once the National Assembly had been established, another momentous step was taken to institutionalize the revolution. This occurred when the National Assembly took up the task of discussing, drafting, and approving the new Constitution of the Republic. In the months of September to December, each article was discussed and approved by the National Assembly, and the effort culminated on 9 January 1987, when the new Constitution was promulgated.

Advances were also made in 1986 in organizing the people, who already exercise popular power in many forms of political and social participation. The workers are grouped in 5,763 labor unions with 284,000 members, making up 6 labor federations of different ideologies; mass organizations and social organizations contain over 485,000 individuals; and the National Union of Farmers and Cattlemen has 2,124 cooperatives with 54,086 members.

The people have also participated in the work being done by the government by attending the "Face the People" meetings, the open town councils, At those meetings, promises were made and decisions adopted. We have held 194 meetings in which more than 175,000 Nicaraguans from all sectors have participated. These meetings have become a school not only for the government but for the people. This is reflected in the style and content of these popular assemblies held throughout the country with the spirit of self-criticism and criticism that the revolution promotes.

In 1986, unique and overall plans were drafted in favor of autonomy. These plans were drafted with the massive participation of the people. House-by-house visits and multiethnic meetings were held to gather opinions. Peace and autonomy commissions were appointed. They carried out important actions to reach a dialogue and a cease-fire. Approximately 10,000 Miskitos who had been kidnapped and taken to Honduras were returned to the country.

Nicaragua's economic situation is based on the inherited structure of an underdeveloped economy and is highly dependent and manipulated by an unjust international economic order. As I already mentioned our economy has been affected by the imperialist war of aggression and by the international crisis.

We have to bear in mind the magnitude of the international crisis that not only affects Nicaragua but that is expressed in a Latin American foreign debt that amounts to $400 billion. This debt forced Latin America to pay up to $30 billion in debt services when the area was only receiving $8.6 billion. This represents a drain of capital, of the material possibilities, and of the efforts of our countries.

The Central American situation, as described by ECLA and other organizations, is even worse. Between 1981 and 1986, the gross proceeds per resident of all the Central American countries has dropped; the gross proceeds have dropped even in countries that are not enduring wars. According to the ECLA report, the situation is as follows: Costa Rica: minus 11.1 percent; Honduras: minus 13.8 percent; Nicaragua: minus 14.1 percent; El Salvador: minus 16.7 percent; Guatemala: minus 20.7 percent.

It is within this international and war context that we must analyze our achievements and our deficiencies in the economic field. The gross national product for 1986 was the same as the gross national product recorded in 1985. The production of materials dropped slightly; it dropped by 1.4 percent. Regarding the external sector, we were able to slightly decrease the total value of our imports; this is why we registered a drop in our exports. We exported 218.6 million; we imported 880 million; and we received foreign financing in the amount of 706.3 million [currency not specified].

In 1986 we made an in-depth review of our public investment plan in an attempt to ration our investments. We strongly insisted on maintaining the investments in order to maintain the already-installed capacity in the country and to conclude the plans already underway. Much had already been invested in these plans, and we could not stop them. We also approved measures to promote investment plans that would render short-term profits.

The effects of the crisis and the criminal actions of the speculators caused inflation that seriously affected the consumer. The production centers were also affected. The fiscal deficit was decreased by strengthening the tax system; a nominal increase was recorded. Despite the decrease, the deficit was disproportionate, and a determining factor in this was the heavy defense expenses we have.

Our total expenditure was 205 billion cordobas; total income, 131 billion cordobas; deficit, 74 billion cordobas. The individual [civil] expenditure was in the amount of 92 billion; this included 51 million for the areas of health and education. This means that all the other ministries spent 41 million -- that is, 20 percent of the total expenditure. Health and education expenditures were 24.8 percent of the total expenditure. Our defense expenditure was in the amount of 29 billion. This represents 30 percent of our revenue. We must recall that in 1980 we spent 12 percent of our revenue on defense. Now we are spending 30 percent. In 1980, we were financing the establishment of the Interior Ministry and building our Army, yet we only spent 12 percent of our revenue. The aggression is forcing us to make these huge defense expenditures.

The inflation rate has been so high that it has affected domestic production costs. Regarding our exports, it became necessary for us to offer special exchange rates. Our exchange rate for exports was set at 160 cordobas per dollar while our official exchange rate was 70 cordobas per dollar. The official rate was applied to our imports.

While some wages and economic activity grew in 1986 to a rate above [words indistinct] there was much rotation of labor, especially in the agricultural sector. This showed an improvement in yield and discipline.

Regarding agrarian transformations, 337,555 manzanas were given to peasants. This represented 36 percent of the goals set. A total of 15,743 families benefitted from this distribution. The cattle sector situation in 1986 was not good when compared to the level achieved in 1985.

Beef production dropped by 23.1 million pounds. This was a result of a low technological level used in processing beef, illegal butchering, and the lack of an overall development program for dairy and beef cattle-raising.

Concerning the supplies for the peoples, the internal trade sector of the economy represents the greatest present problem. In 1986, we increased [word indistinct] production in several stages with the purpose of maintaining internal consumption at approximately the usual levels. However, as a result of production problems and the exessive growth of informal and speculative trade, it was not possible to reach the supply and distribution goals we had planned.

In 1986, 32,500 persons received the benefits of potable water when we installed 7,400 waterpipes in homes, 207 in public stations, and over 100 in rural areas. A total of 23,700 persons received the benefits of adequate sewers. It is estimated that water production increased by 9 percent in 1986. However, the net growth is estimated at 2.3 percent, as a result of the deterioration of [word indistinct] and the restriction of economic and human resources to allow adequate maintenance to the system.

Health programs have centered on extending services to social groups that did not have access to these services in the past. However, in spite of the achievements, the people's general state of health has not improved as much as expected. There is a highly unfavorable situation in the environment, in spite of all efforts made to this effect, and because of the small sector of the population that has potable water. A large sector of the population does not have potable water, sewers, or garbage collection. All of this has a direct influence in the health of the population. In 1986, we provided 6 million medical consultations, 510,000 dental consultations, 5 million vaccination doses, and 2 million maternity and infant consultations. Nevertheless, the people are permanently demanding treatment by health workers for the patients. The Health Ministry is taking steps [word indistinct] of 1986 in extending the work schedules for services and that will allow the reduction of tension that builds up in the health centers and posts. We are also conducting a campaign to develop an awareness among doctors, nurses, and all health workers.

During the school year, enrollment grew to 960,000 students, which is 97.8 percent of the goals. The preliminary results of the academic year showed that 85 percent of the students enrolled stayed in school. In spite of the efforts at the technical and professional levels, there is an annual average of 149,500 children -- ages 7 through 12, and particularly in the rural areas -- who do not enter the educational system because schools have been closed and the people have been transferred to land settlements. This has a lot to do with the aggression. A large number of schools the revolution opened up in the rural areas, in the most remote places of the country, have been targets of attacks, and have been destroyed by the mercenary forces. The teachers that had been sent to the Nicaraguan mountains to teach the people and the children how to read and write have been murdered. Thus, this explains [word indistinct].

A total of 37.3 percent of the working population have received the benefits of the Nicaraguan Institute of Social Security. The rural children have received priority in the benefits of the social welfare programs. Priority attention has also been given to the displaced persons, orphans, the relatives of those who have died defending the fatherland, and war cripples.

Currently, in spite of the crisis situation, the [word indistinct] reached 1.7 million persons in all of its programs, which reflects an increase of 8.9 percent compared to 1985. This covered 51 percent of the total population of the country. Nicaraguan culture is developing in a popular, democratic, national, and anti-imperialist manner; without any restrictions. Its programs are aimed at acknowledging values; recovering, promoting, and developing our cultural heritage; and being open to worldwide cultures. However, there have been some problems because of the lack of qualified personnel and because of poor finances. But we have had international cooperation and solidarity that has helped us confront this problem.

For this year, it has been determined that we can consolidate the cultural sector, which would enable us to make good use of the limited human and material resources.

Housing and transportation problems continue to affect our people deeply. However, great efforts have been made in these sectors so we can provide housing in the rural areas, in the most productive areas in the fields. There is a plan to strengthen the coffee structure that calls for improving current housing and for constructing new housing units so we can strengthen a social group that is directly linked to the main source of export production in our country, such as coffee. This means we will continue top face serious housing problems in our cities.

For 1987, we must intensify the strategic defeats inflicted on the U.S. Administration's mercenaries. We must not rest until we achieve their total destruction. We must also prepare the country to confront the escalation of aggression, plans that contemplate a possible invasion of our country by U.S. troops.

This is not like the story of the boy who cried wolf. In Nicaragua, we cannot shout that the wolf is coming. The wolf is already here. He came here last century, and Zeledon fought against that wolf. The wolf also came here, and Sandino fought the wolf. The wolf continues to attack us; he shows his fangs; and he threatens to invade us.

It is the U.S. Government representatives Secretary of State Shultz and President Reagan' himself who say that in the event the mercenary forces are not given full support, there will be no other option than to mobilize U.S. troops against Nicaragua. So our concern in this regard is not to attempt to cover up errors and problems that do exist in the revolutionary process, but to confront and fight them. It is a real danger that our nation faces and therefore we reaffirm that we must continue to mobilize all the people to strengthen the revolution's military defense to a maximum.

We must guarantee that the requirements for the Patriotic Military Service and the reserves military service are fully met. We must strengthen the people's militia. By doing this we will be guaranteeing that in every village, town, or mountain there will be the people's fighters ready to defeat the invaders.

We will continue trying to expand international political contacts so that Nicaragua may be in a better position to face the U.S. Administration's interventionist policy. We will not fail to make any effort to unmask and stop the U.S. Plan for attackng Nicaragua. We will continue promoting international cooperation with Nicaragua for the benefit of our sovereignty and future development.

We will give priority attention to efforts aimed at working together with Latin America and Caribbean forces to defend the principles of nonintervention and self-determination, the sovereignty of Latin America and the Caribbean, and the strengthening of the front for the defense of our economies.

In the face of protectionist measures, Latin American unity; in the face of the unpayable foreign debt, Latin American unity; in the face of an unjust international economic order, Latin American unity. Latin American unity is necessary to have justice, liberty, democracy, and peace.

Nicaragua will continue backing the peace efforts of the Contadora and Support Groups, the Central American dialogue, and the creation of the Central American parliament. We also welcome the initiative of congressmen from the Dominican Republic who recently visited our country and who have made proposals about a parliament, a rapprochement among parliaments, and coordination among the parliaments of Central American and the Caribbean.

We will continue defending international law and abidance with the UN Charter and the ICJ rulings. We will continue defending the cause of peace in the world, especially the initiatives that have been presented by the Soviet Union and the Group of the Six.

We will continue ratifying our solidarity with people such as those of South Africa who are struggling for self-determination, independence, and liberty. We will firmly defend the just cause of the people who have unconditional support from the Nonaligned Movement.

The institutionalization of the revolution will continue progressing in 1987 with the preparations for the municipal elections and the development of the country's legal framework according to the guidelines of the Constitution. We will continue working on the autonomy project for the Atlantic coast and on the process of democratic participation by the people of Nicaragua's Atlantic Coast region.

Peace is possible in Central America. Peace is possible in Nicaragua if the Reagan administration stops its cruel aggression against the Nicaraguan people. If the Reagan administration would totally and definitely end its aggression against the Nicaraguan people, then it would be possible to lift the state of emergency. All the communications media that have been sanctioned because of violations of the law could be once again allowed to operate. All the individuals who are at present afraid to return to Nicaragua because of their activities in support of the counterrevolutionaries could return, and even the counterrevolutionaries themselves could take advantage of the amnesty law and return in peace to a peaceful Nicaragua, as has already been done by some who have turned over their weapons and taken advantage of the amnesty.

The government will also continue working, through dialogues, to normalize its relations with the hierarchy of the Catholic Church, and we will continue promoting good relations with the evangelical churches.

In the economic field, there is scarce possibilities that there will be a recovery of the prices of the basic export items. The tendencies are rather negative. The price of coffee, which last year [words indistinct] has gone down. It will be necessary to have more investments in the Latin American countries to have economic expansion [words indistinct] imports and with domestic savings being less than what it has traditionally been -- and part of those funds are dedicated to pay the foreign debt -- Latin America's growth possibilities will be curtailed.

Social tension is growing, and this works against the social and political stability of most of the Latin American countries. The plan for 1987 calls for a GNP growth of 2.1 percent in Nicaragua. This means that the total output of goods will [words indistinct] of minus 4.2 percent.

The idea is to recover the value of exports in 1987 based on increased quantity. We have already determined that we cannot raise the amount of exports based on prices. The 1987 plan contemplates imports worth $901.9 million. We have to import $901.9 million. This is what we have to import, not for the country to solve its economic problems, not so that the country can get out of the crisis, but so the country can survive in the middle of the crisis. How much do we have here? We have $755.3 million. Where does this $755.3 million come from? From exports and cooperation of friendly countries. This means that we have a liability, a deficit, a shortfall of $146.6 million -- which we have to negotiate and which we are already negotiating to be able to make up for these basic requirements of $901.9 million.

Following our policy regarding our foreign debt, we have paid for interest in those cases where the repayment of the foreign debt signifies ensuring loans and financing worth more than the repayment of the foreign debt service. For instance, when we repay $3 million to a creditor, we are sure that this will generate greater loans, possibly $4, $5, or $6 million.

We are not in a position to repay the debt. We cannot, even if we wanted to. This is the policy we have followed; a policy of rengotiating our outstanding debt and finding reasonable repayment periods and interest rates. We cannot service the debt if it means sacrificing the country. Therefore, with this spirit, Nicaragua backs the just decision officially taken yesterday in a courageous attitude by Brazilian President Jose Sarney to suspend repayment of the interest on the debt, to find guidelines that will not affect national stability. [applause]

We will continue to attempt to cut expenses in all agencies according to their strategic priority. Nevertheless, our ability for this is limited because we have four priority institutions. It is impossible to cut these institutions' expenditures. Which are these four institutions? The Army, the Interior Ministry, the Education Ministry, and the Health Ministry. [applause]

Therefore, the fiscal situation forecast for 1987 involves revenues of 263 billion and expenditures of 385 billion [currency not given]. We have estimated a 122-billion deficit. This deficit could be increased because of the development of war. These four institutions we have mentioned absorb 80 percent of the expenditures and employ 85 percent of the government's personnel.

The 1987 investments program is based on the urgency to determine, as soon as possible, which projects have not yet been fulfilled. In 1987, we expect to eliminate a number of projects that should have been completed by the year 1979. This will allow us to make better efforts in future investments. We will then execute those investments that will yield results on a short-term basis. Reality and our capacity preclude our planning large-scale investments, however good and promising, which will yield results on a long-term basis.

The investments program reaches 79.331 billion cordobas. Ninety-nine percent of this amount includes overdue projects. This is to say, we have finally succeeded in controlling the investment process in our country. Basically, investments contemplated in the program are aimed at maintaining and expanding the country's agricultural and livestock production ability, including coffee, rice, cattle, and basic grains. It also includes continuing the fishing and mining activities and creating the ability to process vegetables.

Regarding jobs and salaries, the attempts to recover the purchasing power by raising the nominal salaries are doomed to failure. This leads us to a vicious circle, in which the speculators profit from these measures and this effort. We are aware, however, that the policy of freezing nominal salaries will have to be revised. We are already in the process of revising it. Therefore, we must [words indistinct] and, according to the complex nature of our economy, we plan to go on linking increases in the purchasing power of the salaried to increases in production and efficiency. All the efforts that we have done in 1986 and those that we will continue to make in 1987 are to ensure that the largest possible number of products can be sold at fixed prices to the field and urban workers and employees.

Of course, this affects those sectors not directly productive. But this is a necessary and fundamental measure to be able to keep the labor force in the productive sector and to prevent the labor force's moving toward the unproductive sector. The goals for 1987 regarding agricultural export products are aimed at raising to its highest level the direct generation of revenue according to the type of products with the highest possible yield in more compact areas.

In view of Managua's critical situation in the fields of potable water, transportation, and environmental health, a special plan will be carried out in 1987 concerning these areas. The 1987 plan is within a framework of economic recovery that covers 1987-1990. However, we insist that when we talk about economic recovery, we are talking about economic recovery within the framework of survival economy. The goals that we seek in the plan are to promote -- within the limits imposed by our productive and resources capabilities -- the production of material goods, concentrating all efforts in producing the greatest amount possible of goods with a surplus that can be exported. In this same manner, we can meet the needs of the Armed Forces and of the civilian population -- that is, their basic needs.

We plan to increase social services to the population, mostly in the areas of health and education. In agrarian reform, we must ensure that the changes in landholding will fall within the agricultural development plan in those territories. In other words, we will try to improve the situation of the agricultural workers linked to private and state production in order to close the gap they currently have with the peasants. We will give land to the peasants that do not have a better alternative for working in order to survive and reproduce. In 1987, we will deliver 274,388 manzanas to benefit 16,510 peasant families. [applause]

Based on the situation of the cooperative movement, for 1987 we have planned some guidelines for advancing its development and consolidation. In 1987, we must advance toward effective state control over the critical stages in production and supplies, turning the People's Ownership Sector [APP] into the driving and leading force of all the other social forms of production. In other words, when we talk of the driving and leading force of the APP, this should not worry or alarm the private producers. On the contrary, because it is assured beginning with the state enterprise that there are the necessary resources, inputs, financing, and technical advice for all producers -- whether these are large private producers, medium-sized private producers, small private producers, or cooperatives. Then, it can no longer be said that the sectors are competing among themselves -- the state-owned sector with the private sector -- and that because there is the state sector, this sector will be given all the resources of the state. This will no longer be said.

Because they are part of the government's efforts, we are giving the enterprises in the APP the responsibility of ensuring the operation and production of the private sector; to guarantee -- through them -- the inputs, spare parts, tires, agricultural chemical products, and everything else the private producer needs for production. In other words, we are taking a leap here to the effect that there will not be two economies confronting each other, competing against each other, but rather one single economic effort, so the state sector and the private sector will merge into one.

As for the industrial sectors, we will work for the integration of the private industries into the production plans, to develop and consolidate the regional enterprises of industrial supply as a sure channel for providing organized inputs and supplies, organized for the production of small industries. This will also consolidate the small industry cooperatives by making adequate use of the law on cooperatives and establishing the channels of overall attention [words indistinct]. It is the same logic. It is not a matter of the state enterprise competing with the private enterprise of the industrial sector, but it is the state enterprise supporting the production of the private producer.

In the commercial sector, we must strengthen the struggle and the mobilization of all forces against illegal commerce, and improve the mechanisms of marketing created by the revolution. We have to be very responsible when viewing this speculative market that this speculative commerce has created. It is truly a criminal commerce. They are committing a violation, they are commiting a criminal action, because they are acting against the supplies of the people. They are provoking and making use of the people's hunger. They are provoking and making use of the people's hunger. Therefore, we must act in a most vigorous manner against the speculative sector. [applause]

Foreign investments play a significant role in the economy, and they should contribute in the future with capital and technology toward national production, in a joint effort with the state. For these purposes, we will present before the National Assembly a draft bill on foreign investments that will regulate the foreign investments that are established here in the country. The draft bill will also determine the norms for future contracts.

In spite of its great advances and achievements, the revolutionary state has not yet achieved the level of organization and order that is demanded by the complex and ample system of government that has been formed. When we speak about this, we are not referring to the effects of the aggression. Naturally, the aggression affects everything. But here, we are talking about our own efforts. We could have done much more, and we must do much more to improve the organization, the efforts of the revolutionary state. That is why we say it is necessary to advance in strengthening the economic direction that will allow us to fight the feudalistic trends that still exist in our revolutionary state. [applause]

The peasants, the agricultural producers, and workers have increased agricultural productivity and have increased the working day to historic levels. Industrial workers in economic brigades are doing voluntary work several days a week to increase the production level. Health workers are beginning to guarantee 24-hour operations at health centers. The Nicaraguan workers in general are making great efforts to defeat the aggression in the economic field in the framework of a survival economy. The peasants and the workers -- who will make it to the end, as Sandino foretold -- are already organizing their forces to achieve definite victory. This is fundamental because there are three factors that affect our economic activities: the unjust international economic order, the war of aggressions, and our own deficiencies.

Nicaragua is struggling alongside other Third World countries at all the international forums to promote a new international economic order, but international economic and financial structures are fixed not by us or by the developing countries or by the so-called Third World countries, but by the hegemonic industrialized countries that have market economies.

In the face of this situation, what we can do is to overcome our deficiencies in the leadership, planning, and implementation of plans, programs, and projects of the revolution. To achieve this, it is necessary, we repeat, to strengthen the leadership, planning, and implementation processes that involve the economy and society.

To reduce the impact of the economic crisis and the war of aggression, the peasants and the workers -- the creators of wealth -- must increase production and productivity, reduce costs, make better use of foreign exchange, maintain equipment, and make tools last longer.

Peace is necessary to resolve our economic problems. Because of this, all the guidelines and tasks are very interrelated. We are militarily struggling and mobilizing ourselves to secure the defeat of the mercenary forces and of any further Yankee interventionist effort. We are all prepared to face, resist, and defeat a Yankee intervention if it does take place. [applause]

Through our foreign policy, we are struggling to achieve peace by means of diplomacy, international law, and the strengthening of international organizations in the framework of our nonalignment policy.

Our domestic policy is aimed at struggling to achieve an institutionalization that will allow the coexistence of all the Nicaraguans who defend the nation's sovereignty and independence in the framework of our political-pluralism policy.

We are struggling in the economic field to defeat the economic aggression and to defend the people's right to have food, health, and education in the framework of a mixed economy.

We have defended, and we will continue defending, the total liberation of all Nicaraguans.

We have defended and we will continue defending the free fatherland for which our General Sandino died.

From heroic Niquinohomo, the land of coffee pickers, of artesans, and of peasants; from Niquinohomo, the eyes and heart of Sandino -- where the blood and fire of Sandino, full of love and patriotism, irrigated the fertile spirit of the miners of San Albino, Nueva Segovia, Jinotega, Matagalpa, and Chontales; and the girls of Puerto Cabezas who helped Sandino seize the arms that the traitors had abandoned -- from heroic Niquinohomo, the name given to the town that is composed of the strength of our ancestors, the rebelliousness of our Indians, and the thunder of our mestizos; from heroic Niquinohomo, at the side of all the fighting people of Zeledon, Sandino, Rigoberto, and Carlos; and holding the machete, the ropes, and the rifles: We make with our hearts and our souls the oath that no one will surrender here because Sandino lives on; because the struggle goes on; because we are men, women, children, and elderly people who have decided to win; because we are mestizos and Indians, and we are brave and hard-working people prepared to fight; because we are Niquinohomo, Monimbo, Subtiava, Miskitos, Sumus, Ramas, blacks, whites, criollos, garifonos, and we are all Nicaraguans, Sandinists, and hard workers.

Free Fatherland or death!

BORGE VIEWS RESULTS OF LIMA COPPPAL MEETING

PA241904 Managua Radio Sandino in Spanish 1200 GMT 23 Feb 87

[Text] Commander Tomas Borge said yesterday that the COPPPAL [Permanent Conference of Latin American Political Parties] has reaffirmed its solidarity with the [Nicaraguan] people and revolution.

Nicaragua Interior Minister Tomas Borge described the ceremonies held in Lima, Peru to honor Victor de la Torre and General Augusto C. Sandino as very encouraging.

Commander Borge returned yesterday after participating in the 11th COPPPAL meeting.

Minister Borge said that the Peruvian political forces acknowledged Gen Sandino's anti-imperialist struggle against the U.S. Army. He added that COPPPAL stressed the Central American conflict during the meeting and in its resolution. COPPPAL noted that the Contadora and Support Groups' efforts cannot be divorced from regional problems.

Commander Borge Martinez said that the Central American conflict cannot remain outside of the Contadora Group.

On his arrival at Sandino Airport, Interior Minister Borge said that the Central American conflict and support for the Contadora and Support Groups' peace efforts were particularly emphasized, adding that more than 30 Latin American political parties attending the meeting expressed their solidarity with the Sandinist people's revolution.

[Begin Borge recording] The Central American situation was particularly stressed. In this respect, the participants recognized positively the efforts undertaken by the Guatemalan Government in enforcing its policy of active neutrality. It was noted that El Salvador is receiving constant military support from the United States, which hinders possibilities of negotiating with the FMLN-FDR. At the same time, COPPPAL noted that it has been confirmed that El Salvador is a center from where supplies are sent to the Nicaraguan contras. It was also stressed that Honduras is all but under U.S. attack due to the presence of the contras and U.S. troops who are participating in the well-known maneuvers in that country. Costa Rica was not mentioned, because the National Liberation Party, a member of the COPPPAL, was not present at the meeting.

At the same time, in its conclusion, COPPPAL said that there cannot be any negotiations -- based on the criteria of more than 30 political parties represented in COPPPAL -- without the participation of the Contadora and Support Groups. Hence, in this respect it is felt that any initiative should be conducted within the Contadora Group framework. All the forces representing the region -- religious, military and so forth -- were urged to help in the quest for peace in Central America. In addition, several resolutions were presented on various issues concerning the current situation in Latin America: COPPPAL condemned Pinochet's regime; expressed its solidarity with the Haitian people in their struggle for their definitive liberation; expressed its solidarity with the Paraguayan people, and with Argentina in relation to the Malvinas issue. Special emphasis was placed on the foreign debt problem. The need to find a solution to this sadistic problem that burdens the Latin American countries was reiterated. It was encouraging to learn of the Brazilian Government's decision to suspend interest payment on its debt. [end recording]

EPS GREETS SOVIET ARMY, NAVY ON ANNIVERSARY

PA250247 Managua BARRICADA in Spanish 23 Feb 87 p 5

[Text] On the occasion of the 69th anniversary of the Soviet Army, General of the Army Humberto Ortega today sent greetings to USSR Defense Minister Marshal Sergey L. Sokolov.

The text of the message is as follows:

Here, no one surrenders!

Managua, 21 February 1987

USSR Marshal Sergey L. Sokolov, USSR defense minister

Dear Marshal:

On behalf of the EPS soldiers and on my behalf, fraternal and revolutionary greetings to you and your brave soldiers on the occasion of the 69th anniversary of the Soviet Army and Navy at a time when the Nicaraguan people are bravely resisting the criminal political, economic, and military blockade set by the North American administration. The U.S. Administration continues to be bent on escalating this situation acting against the will of the peoples of the world and its own people.

We are convinced that the struggle for peace and detente will triumph over the struggle for war. The Soviet and Nicaraguan Armies firmly defend the cause for peace and detente.

Fraternal greetings,

Humberto Ortega Saavedra,

Commander of the Revolution, defense minister, general of the Army

CHAMORRO PROMISES STRUGGLE TO EXPAND UNO

PA232215 Panama City ACAN in Spanish 2135 GMT 23 Feb 87

[Text] San Jose, 23 Feb (ACAN-EFE) -- Pedro Joaquin Chamorro, the new member of the Nicaraguan Opposition Unity [UNO] directorate, today promised to struggle for the expansion, "in the near future," of the directorate of this anti-Sandinist organization.

Yesterday, during an extraordinary "contra" assembly, Chamorro Barrios was elected to the UNO directorate, an office that he will hold along with Arturo Cruz and Alfonso Robelo. Chamorro Barrios has replaced Adolfo Calero.

Calero Portocarrero, chief of the FDN, the main "contra" group that receives the largest amount in aid from the United States, resigned as member of the UNO directorate on 16 February following several disputes with Cruz and Calero [as received] and promoted Chamorro to replace him.

The assembly, that ended last night at a hotel in this capital city after overcoming differences among certain group members of this political organization, also accepted Calero's resignation.

Some of the agreements reached in order to hold the meeting are: moving up the date for the organization's assembly to 7 March (a month ahead of the scheduled date); the reduction of the council of directors from nine to seven members; and the council of directors remain in office for 6 months instead of the current 3 months.

The four organizations that oppose the assembly's current directorate were also successful in their demand for all agreements, reached in future meetings, to be approved by two-thirds of the members, and not by a simple majority. They also demanded that the voting be secret.

Chamorro Barrios, former codirector of the closed Managua newspaper LA PRENSA today told ACAN-EFE that "the expansion of the UNO directorate will take place in the near future", because it is necessary to integrate dispersed organizations into one single anti-Sandinist alliance. He added: "The expansion of the UNO directorate and of the assembly will be a consequence of a national alliance based on democratic principles."

Chamorro, who has lived in Costa Rica since November 1985, said that one of the reasons for promoting this expansion is the need to wage a "unified struggle" against the Nicaraguan Government, to improve UNO's international image, and "to give hopes to the Nicaraguan people who have been witnessing a splintering of the rebel groups lately."

Chamorro said that "important steps have been adopted" with the Southern Opposition Bloc (BOS), another anti-Sandinist coalition, to forge unity since "there are no essential differences." Chamorro, 35, said that the problem that prevented the formation of the assembly this past weekend "has been overcome" and the two sides that held conflicting positions "yielded to secure a satisfactory agreement."

Wilfredo Montalvan, president of the current UNO assembly, has said that the expansion of this anti-Sandinist coalition is now more necessary than ever considering the reports that the Nicaraguan war "will become more intense in the next few days."

"With the intensification of the war we will need a greater integration of the groups in the assembly," Montalvan said today during a news conference in which he announced the results of yesterday's meeting.

JURAGUA NUCLEAR PLANT AGREEMENT SIGNED WITH USSR

FL241727 Havana Radio Progreso Network in Spanish 1200 GMT 24 Feb 87

[Text] The Soviet Union's unconditional assistance to Cuba in the electro-energy field was clearly affirmed with the signing of a bilateral cooperation agreement in that field. It was signed in our capital by representatives of the two nations.

The installation of a 500-kilowatt line, which will link the Juragua [as heard] electro-nuclear center to the rest of the country, is one of the main projects in the cooperation agreement.

CASTRO GREETS CYPRIOT PRESIDENT ON ARRIVAL

FL241940 [Editorial Report] Havana Television Cubana Network in Spanish is intercepted in progress at 1816 GMT 24 February carrying live the ceremony welcoming Cypriot President Spiros Kiprianou at Cuba's Jose Marti International Airport.

President Fidel Castro is shown as announcer Manolo Ortega reports that he is speaking to members of the Cypriot delegation. Politburo member Vilma Espin can also be seen.

FAR Minister Raul Castro does not appear to be present.

Castro and Kiprianou are shown walking to the area from which they will stand and watch the ceremony.

Colonel Guerrerro Ramos orders the honor guard to present arms and the ceremony begins with the playing of the Cuban national anthem. Cannon shots can be heard in the background. As the Cypriot national anthem is played, the camera shows Castro and Kiprianou walking toward the honor guard.

Ramos is shown marching toward the Cypriot president and as Ramos faces Kiprianou, he announces that the honor guard is ready for review. The 26 July anthem is played while the camera shows the two presidents reviewing the honor guard.

Kiprianou and Castro are then shown shaking hands with Politburo members Jorge Risquet, Osmani Cienfuegos, Jose Ramon Machado Ventura, and Central Committee members Jose Ramon Fernandez and Isidor Malmierca, as well as the diplomatic corps accredited to Cuba. The announcer reports that "vice presidents of the Councils of States and Ministers, ministers of the revolutionary government, and leaders of state organisms and of our country's organizations are also present", without giving any further identification.

The announcer reports that "the official talks will begin tonight after the welcoming ceremony. The official reception and the ceremony to bestow the Jose Marti Order on the Cypriot president will also be held tonight."

The two presidents are shown waving at the crowd that has gathered to greet the Cypriot president. The crowd can be seen carrying Cuban and Cypriot flags and posters with Kiprianou's picture.

Ortega identifies a woman, who can be seen walking with the two presidents, as the interpreter and he notes that "through the interpreter, the two presidents are holding an animated conversation".

The ceremony concludes with the honor guard passing in review and playing the 26 July anthem. As the guard approaches, Castro is shown saluting while Kiprianou stands at attention.

As the honor guard passes, Ortega remarks on the "inclusion of girls in these parades." Another announcer, identified only as Notario, notes that women did participate in the ceremony welcoming Argentine President Raul Alfonsin.

At 1829 GMT, the two presidents are shown getting into the limousine and the broadcast immediately returns to the studio.

Official Talks Begin

NC250709 Nicosia Domestic Service in Greek 0430 GMT 25 Feb 87

[Excerpt] President Fidel Cstro has stated that his country will continue its firm support for Cyprus' struggle for freedom and vindication. President Castro gave this assurance during offical talks with President Spiros Kiprianou yesterday afternoon,. Kiprianou is on an official visit to Cuba at Castro's invitation.

During the talks, which were held in a friendly and cordial atmosphere and lasted about 2 hours, President Kiprianou fully briefed the Cuban leader or developments in Cyprus. They discussed all aspects of the Cyprus problem, as well as the proposal for an international conference on the issue. The Cuban president expressed his full support for what he described as the sound and reasonable positions of the Cyprus Government.

The two leaders also reviewed other international problems, and the role of the Nonaligned Movement. President Castro praised Cyprus' role within the movement, and its consistent policy based on the movement's principles. In conclusion, they discussed the conference of nonaligned foreign ministers to be held in Cyprus next year.

The two leaders will hold further talks. It is expected that bilateral relations will be among the subjects discussed. [passage omitted]

HAVANA RADIO COMMENTARY ON L.A. FOREIGN DEBT

PA250244 Havana International Service in Spanish 2300 GMT 23 Feb 87

["Our America" commentary, read by Manolo Ortega]

[Text] The ancient Greeks tried to defend their harvests from the hordes of rats and mice as follows: They left a message for the rodents on top of a rock located at the center of the field. The message said that the rodents could devour a portion of the field, and no one would bother them -- provided that they left the rest of the field alone. The method is a naive as the current belief that the international banks' sharp teeth can be stopped by the Third World creditors [as heard] with simple slices. In fact, modern rodents resemble the ancient ones, because they want the whole fruit.

This implies the need to adopt strong measures in a matter which determines the future and destiny of our people. The Latin American foreign debt has increased to nearly $400 billion and is worsened by brutal interest rates amid no less pressing conditions, such as protectionism and unequal exchange. This burden is too heavy for backs that are weak from hunger.

Expressions of relief were seen on many faces some weeks ago on this continent when reports revealed signs of economic recovery in certain countries in the area during 1986. It was later learned that all this was a euphemism. Norberto Gonzalez, ECLA executive secretary, warned that despite the signs of an alleged bonanza, 11 nations in the area reported a drop in per capita production during that period. The specialist added that the industrial West's protectionism remains alive and recalled that many of the countries that reported some kind of growth mostly owe it to provisional situations like the drop in oil prices and lower international interest rates. In other words, Latin America cannot talk about a firm basis for development as long as the rules of the game remain the same in the economic sector.

A quick glance at the area clears any distorted view of the truth. Ecuador is an oil-exporting country in the Southern Hemisphere, and its 1986 revenues dropped $1 billion as a result of the lower crude oil prices. Furthermore, it had to pay that same amount to its foreign debt creditors during the same period. Brazil, the largest debtor of the continent with the $108 billion it owes the international financial sector, suspended the payment of interest on that debt given the lack of possibilities to face such a burden.

The drop in oil prices seriously affected Mexico, one of the great debtors of the world. This was worsened by the U.S. decision to reduce its purchases of traditional Mexican exports such as steel, food products, and light industry products. The Dominican Republic is another dramatic case: Its sugar export quota to the United States -- 45 percent of the sugar produced in the country for export -- was brusquely reduced by Ronald Reagan's government with the stroke of a pen, without consideration for the consequences this would have in a nation whose main export is sugar.

Therefore, the policy of giving something to the rats to prevent major disasters is really out of place in the midst of the extreme economic crisis afflicting our region.

CONSTRUCTION TU LEADER REMOVED FROM POST

FL202052 Havana Radio Periodico Del Aire in Spanish 1700 GMT 20 Feb 87

[Text] In its meeting of 13 February, the Central Committee of the Communist Party of Cuba agreed to confirm the decision of the National Secretariat of the Central Organization of Cuban Trade Unions to remove Comrade Pedro Fernandez Diaz from his post as secretary general of the National Trade Union of Construction Workers. This decision came about because Comrade Fernandez Diaz did not effectively rectify the errors pointed out to him in the observance of his duties, which have resulted in lack of control in the operations of the trade union he headed.

NICARAGUAN DELEGATION ENDS CARICOM TOUR

FL240359 Bridgetown CANA in English 1710 GMT 22 Feb 87

[Text] Bridgetown, Barbados, Feb 22, CANA -- A Nicaraguan Government delegation has left for home after a brief tour of four Caribbean Community (Caricom) member countries.

The two-man delegation visited Guyana, Trinidad and Tobago, St Lucia and Barbados, where they held talks with government officials on the situation in Central America.

The delegation left Barbados yesterday for Caracas on their way back to Managua.

GRENADA

GAIRY SAYS PARTY TO MAKE COMEBACK IN 1987

FL200136 Bridgetown CANA in English 2225 GMT 19 Feb 87

[Text] St Georges, Grenada, Feb 19, CANA -- Former Grenada Prime Minister Sir Eric Gairy, aiming for a comeback amid signs of growing disunity within the government, last night said his Grenada United Labour Party (GULP) should be back in power during the year.

He made the remarks at a social to match his 65th birthday. About 40 close friends were present.

Sir Eric, ousted from power in a 1979 leftist coup, said he had a master plan given to him by "inspiration" to restore the social, political, and economic viability of Grenada.

"This plan will eliminate robberies by masked men, rape, drug use, and give employment to thousands of young people," he said.

Gairy, a self-proclaimed mystic, was associated during his rule with an obsession for UFOs (unidentified flying objects), and psychic phenomena.

As part of the plan, Gairy said there would be investors coming to the island from around the world, as well as visits by heads of governments and royal families.

Gairy's party won one seat in the 1984 general elections, won by the New National Party (NNP) of Prime Minister Herbert Blaize, who has been under pressure from a faction within his cabinet to step down.

JAMAICA

GOVERNMENT RESCHEDULES VENEZUELAN FOREIGN DEBT

FL181722 Bridgetown CANA in English 1622 GMT 18 Feb 87

[Text] Kingston, Jamaica, Feb 18. CANA -- Jamaica has rescheduled its U.S. 189 million dollar debt to Venezuela, according to THE GLEANER newspaper.

A team, led by Deputy Prime Minister Hugh Shearer, signed the rescheduling agreement with Dr Hector Hurtado, head of the Venezuelan Investment Fund to which the Jamaica Government and the Central Bank are indebted.

THE GLEANER said the new terms are 10 years for the amount to the Venezuelan Investment Fund with three years as a moratorium.

For the loan to the Central Bank, the terms are six years with the first two as a moratorium.

The terms of the agreement were to have gone before the boards of the investment fund, and the Venezuelan Central Bank yesterday for ratification.

Shearer also completed arrangements while in Caracas for the supply of 400 Venezuelan buses to Jamaica. One hundred will be for the tourist industry while the other 300 will go towards public transport.

POLL REVEALS DISSATISFACTION WITH SEAGA

FL240352 Bridgetown CANA in English 1645 GMT 23 Feb 87

[Text] Kingston, Jamaica, Feb 23, CANA -- A majority of Jamaicans maintain that their condition has worsened since Prime Minister Edward Seaga's election in 1980 and that opposition People's National Party (PNP) leader Michael Manley would do a better job, according to the findings of an opinion survey here. According to the poll, 63 percent said conditions in the country have worsened since 1980 when the PNP left office, and 56 percent felt that Manley, the former prime minister, would be better at running the country than his successor.

The survey for THE GLEANER newspaper, was conducted between January 9-12 [by] respected pollster Professor Carl Stone. Its sample was 1,206 voters in 68 communities across Jamaica and its error margin is plus or minus four percent.

The percentage saying that things have worsened since 1980 was two points down on Stone's last finding in 1986, but has hovered around the same level since 1985, having changed dramatically after 1982.

In 1982 only 23 per cent said that things had gotten worse under Seaga's Jamaica Labour Party (JLP), and that jumped to 44 per cent in 1983 and per cent [as received] a year later. In the current survey, 20 percent said conditions had improved under Seaga and 16 per cent said they had remained the same.

It is noteworthy that the poorer Jamaicans have mainly negative views of the situation in the country since 1980, while better-off citizens feel that conditions have changed considerably for the better, Stone, a University of the West Indies (UWI) political scientist, noted. In the past, Manley's democratic socialist PNP has consistently emerged in the lead as the party of the poor, while the centre-right JLP has been dubbed the big man party.

According to the Stone poll only 10 per cent felt that Seaga was doing a good job of running the country, while 35 per cent felt that he was trying his best. Overall, therefore, Mr Seaga received a 45 per cent postive rating on his leadership as prime minister and a 55 per cent disagreed and 16 per cent were not sure either way.

In another finding published earlier, Manley led Seaga by almost three-to-one among those considered to be the most outstanding political leaders in 1986. Manley got a 32 per cent rating against the prime minister's 12 per cent. They were followed by Public Utilities and Transport Minister Pearnel Charles with 10 per cent and Deputy Prime Minister Hugh Shearer and PNP chairman, P J Patterson, with four per cent each. Manley's leadership of the PNP in last July's municipal elections apparently influenced his rating as the outstanding political leader of the 1986.

Among the more surprising findings of the survey was the fact that the majority of persons polled disagreed with the recent divestment of the former state-owned National Commercial Bank (NCB), whose share issue was greatly over-subscribed and seen by the administration as a major policy development. According to the pollster, 35 per cent supported the divestment, against 48 per cent who disagreed and 17 per cent who had no views on the matter. Stone said opinions were divided along class lines with the haves supporting divestment and the have nots being cynical and sceptical. Many who disagree feel that while they do not object to divestment per se, it was ill-advised to sell a well-administered bank that was functioning satisfactorily under government ownership and serving the country's development needs better than the privately owned banks, Stone said.

Stone's poll also found a one-point majority against the government's efforts to break up the island's marijuana trade -- 47 per cent against, 46 per cent in favour and seven per cent with no views. This represents a big swing away from marijuana eradication since 1979 when 66 per cent supported the efforts to crack down on marijuana. Stone said opinions on the marijuana eradication issue were divided along party lines. He said 70 per cent of JLP supporters backed the anti-marijuana drive, while 57 per cent of PNP supporters were against it.

On the question of ruling party's charges that the PNP was being financed by marijuana dealers most people -- 68 per cent -- felt that both parties received such money. In each case only four per cent felt that it was only the PNP or only the JLP that got money from the dealers, while six per cent said neither party got such funding and 18 per cent didn't know.

SCHOOL LEADERS MEET WITH EDUCATION MINISTER

FL242222 Paramaribo International Service in English 1730 GMT 24 Feb 87

[Text] The school leaders of 88 schools in and around Paramaribo which were closed yesterday and today met with Education Minister Allan Li Fo Sjoe yesterday. Topic of discussion was the demonstrations by the students last week which disrupted the education system. The ministry and the school leaders want to normalize the situation through consultation as soon as possible. The school leaders were requested to report in detail the events of last week and to make suggestions for the future.

Also attending the meeting were Minister Maynard of Army and police and Van Amson of sports and youth affairs. Police Commissioner [name indistinct] and Military Police Commander Captain [name indistinct] were also present.

Some school leaders and Civil Service Union Chairman [name indistinct] pointed to external factors which caused the disruption of the education system last week. They think an accurate approach is needed to make sure the rest of the school year is not lost.

The schools will reopen on Thursday [26 February] after the school leaders meet with the teachers today.

PAPER SAYS ANTI-BOUTERSE UNREST INCREASING

PM241529 Rotterdam NRC HANDELSBLAD in Dutch 20 Feb 87 pp 1, 3

[Unnamed "own correspondent" report: "Protests Against Bouterse Growing"]

[Excerpt] Amsterdam, 20 Feb -- The unrest in the streets of Paramaribo is growing. Increasing numbers of Surinamers are joining the anti-Bouterse demonstrations which were called on Tuesday [17 February] by students and school pupils. Since then the United States has warned the Surinamese Government in a message that tough action against demonstrators will mean further economic isolation for the Bouterse regime.

The warning reached Suriname yesterday just as groups of anti-Bouterse demonstrators were taking to the streets of the capital, Paramaribo, for the third day in succession. There were violent clashes with army and police units, and these were more serious than those on the preceding 2 days.

Estimates of the number of demonstrators vary from 2,000 to 5,000. The state-controlled SNA press agency has been most reticent in its reporting.

According to observers in Paramaribo, the demonstrators have now been joined by employees of the SURALCO bauxite company who have been laid off as a result of the fighting between Bouterse's National Army and Ronnie Brunswijk's Gang and who have now been hit doubly hard by the fact that in its spending cutbacks the government has announced a number of drastic price increases. The demonstrators chanted "No bread, no school," and '"Bouterse, 7 years and nothing done, now it's time you should be gone."

During yesterday's demonstration a group of demonstrators split off from the main procession and headed for Army leader Bouterse's house. All access roads were immediately closed.

Seven years ago, on 25 February 1980, a group of junior officers in Suriname seized power in a coup which finally put the then sergeant major and sports instructor Desi Bouterse in the saddle.

Yesterday in Paramaribo there were at times heavy skirmishes. Policemen with shields made charges. Bottles and stones were thrown. Soldiers in jeeps drove through the streets at great speed causing demonstrators to flee, only to regroup again elsewhere. According to eyewitnesses, there were casualties on both sides, but it was impossible to say how many. Nor is anything known about the number of arrests. However, observers say that in the last 3 turbulent days at least 20 people have been arrested. [passage omitted]

PLANNING OFFICIAL CITED ON BAUXITE COMPANIES

PM231515 Amsterdam DE VOLKSKRANT in Dutch 17 Feb 87 p 6

[Unnamed "own correspondent" report: "Concessions to Suralco and Billiton Thought Necessary"]

[Text] Paramaribo -- Surinamese Planning Bureau Director Winston Caldeira has warned that there is little left for the Surinamese authorities to do other than make concessions to the SURALCO and Billiton bauxite companies, which want to reduce their overall expenses. Caldeira thinks that the two companies, which are fundamental to the Surinamese economy, want to lower their employees' wages.

In a lecture to civil servants Caldeira linked the need for foreign loans to a drastic review of consumption patterns. Government spending reforms will be a precondition if Suriname is to be considered as a borrower. Caldeira announced proposals to the government that would "hit hard." As a result of the disruption of the bauxite industry, Suriname's foreign currency position will soon be "a hopeless case."

EDUCATION AGREEMENT SIGNED WITH SOVIET UNION

FL232247 Paramaribo International Service in English 1730 GMT 23 Feb 87

[Text] Suriname and the Soviet Union on Friday last [20 February] signed a cooperation agreement on education. The program, which will cover 3 years, was signed by Suriname's Education Minister Allan Li Fo Sjoe and the Soviet Ambassador to Suriname Igor Bubnov.

The program is the result of a cultural treaty signed by the two countries in 1981. Under the agreement, (?objects) can be exchanged while scholarships are being offered to Surinamese to study in the Soviet Union. The program also caters for a cooperation between the [word indistinct] University of Suriname and the university in Moscow.